

THE GREAT CANAL

AT

SUEZ.

THE GREAT CANAL

1808

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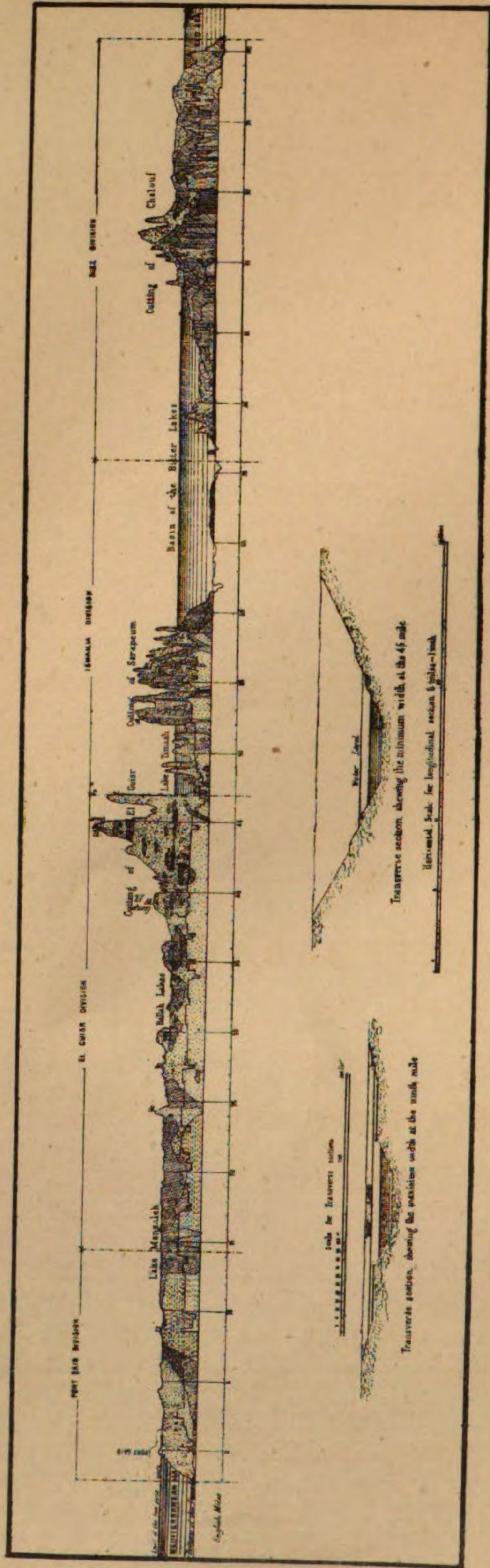
AND ITS
HISTORY

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THE SUEZ CANAL

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LONGITUDINAL SECTION OF THE SUEZ CANAL.

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THE GREAT CANAL

AT

SUEZ:

*ITS POLITICAL, ENGINEERING, AND
FINANCIAL HISTORY.*

WITH

AN ACCOUNT OF THE STRUGGLES OF ITS PROJECTOR,

FERDINAND DE LESSEPS.

BY

PERCY FITZGERALD, M.A.

IN TWO VOLUMES.

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THE GREAT CANAL.

CHAPTER XII.

THE ARBITRATION.

IT was impossible to conceive the consequences of so disastrous a check. The scale of cost for European workmen, could they be procured, would be out of all proportion to the resources of the undertaking. Native labour alone was thought capable of executing the peculiar description of work required. But our intrepid projector, not disheartened, was equal to the emergency. The crisis only drew forth his reserve of energy and resource. During the period of suspension, we may conceive how earnestly he strove and toiled. The Viceroy, he always maintained, was favourable to his cause, and was forced to act as he did. He “proved most loyal to me,” he adds. But these praises were uttered after the Canal was opened, and when all “had come right,” and the sagacious Frenchman was

not likely to rake up an old quarrel. The present Khedive, with all his schemes of acquisition on hand, could not have looked with favour on the ambitious Company, to whom large tracts of his territory had been assigned by his predecessor.

The idea of arbitration was now pressed on De Lesseps. A solemn contract, the carrying out of which was a vital part of the scheme, had been broken. The interests of a large number of Frenchmen of all classes were in peril. The next step was an appeal to the French Emperor to interfere and arbitrate. This proposal amounted to the invoking of French protection, and the Emperor, however indisposed, could not afford to be indifferent to the interests of his subjects, which were so largely involved.

In addition to the withdrawal of the forced labour, the Viceroy had made other claims of a serious kind, demanding back some of the lands along the Canal which had been conceded to the Company. He was in short, not prepared to adopt his father's plans, but inclined to obstruct the progress of the Company. This was perhaps the most serious difficulty the enterprise had yet met with. It may have been that the Porte and the Viceroy had,

during their late meeting, cemented some kind of *entente*; for the former had authorized this appeal to the Emperor's arbitration, at the same time declaring that it would make its concession of the long-sought firman depend on the result of that decision. The Viceroy, M. de Lesseps assures us, was also most eager to have the matter referred to an arbitration which he could hardly hope would have been favourable to his interests. It might therefore be supposed that, the three parties concerned being favourable to the scheme, there was no need to call in any one to decide between them. But the whole makes a sort of diplomatic puzzle.

The Emperor accordingly, early in 1864, nominated a commission, presided over by M. Thouvenel, which was to examine into the whole question, collect facts, and virtually decide on the matters in dispute. When De Lesseps was called before the commission he adroitly pressed for a declaration that the decision was finally to determine the position of the Company, and that, "admitting that their position was irregular, that this should formally make it regular." He argued with much force that the dispute as to matters of mere detail was virtually a concession of the principle, and that it was due to

the dignity of the Emperor that his decision should be accepted as an authorization of the whole scheme. The head of the commission gave him in reply a formal assurance to this effect.

“We can have no faith in the Emperor’s word, or in the power of France, if we are to suppose that after the decision you should still have political difficulties, or that the firman should be withheld.”*

In due course judgment was given. By the award made in July, 1864, it was determined as follows :†—

“The concessions of November, 1854, and January, 1856, had the form of a contract, and were binding on both parties : that, as by the withdrawal of fellah labour the cost of the works would be increased, the Viceroy should pay an indemnity of 1,520,000*l.* on that account : that the Company should cede to the Viceroy all their fresh-water canals, reserving only the right of passage through them : that the Viceroy should pay 400,000*l.*, representing the cost of the construction of the canals, and 240,000*l.* as compensation for the tolls which the

* “Conference,” 1865, p. 41.

† See the official papers for the document in full. It is embodied in the Convention of 1866.

Company thereby relinquished: that the Company should retain only such lands along the line of the Maritime Canal as might be necessary for the care and maintenance of the said Canal: that the Company should cede to the Viceroy their title to all lands capable of cultivation by means of irrigation from the Fresh-water Canals, and for which the Viceroy should pay 1,200,000*l.*"*

The indemnity amounted to a sum of over three millions sterling.

Large as it may appear, this was but indifferent compensation for all that the Company had been deprived of. They had intended taking up the rôle of land dealers, and might have reckoned on making enormous profits out of the vast tracts which their works had rendered fertile. The fascination which the character of the projector had exercised over his patron could not be more fitly illustrated than by these lavish and substantial concessions. About 150,000 acres was the amount of the territory thus taken from them;† the sum therefore granted by no means compensated for the loss of the forced labour. In excavating one cubic yard, the cost by fellah

* Captain Clerk, *supra*.

† *Ibid.*

labour was about tenpence, while later the cost was more than three times that sum. This clause withdrew, for the short time it remained in force, some 40,000 labourers; for, although only one-half of that number were employed on the works, there were always 20,000 on their way to and from their homes.

“In Egypt all lands belonging to the Viceroy are farmed on this forced labour system, or *corvée*, as the French call it. Some 100,000 fellahs are drafted monthly from their villages for this, and for any other service on which the Viceroy may think proper to employ them. The police in the districts make levies in all the villages. The strong and robust peasants are taken. There remain only the old and feeble to attend, not only to their own crops, but also to those of the absent villagers. Men and cattle are marched off to work during one whole moon, either on the viceregal lands or on any other description of work. It is surprising to observe how industriously these men toil, notwithstanding the disadvantages of their position, and the little superintendence they require.”

The question regarding the powers of the Company to sell lands, or to be allowed to let them on

favourable terms at either of the three ports, or in their vicinity, is one that vitally affects their pecuniary interests. The lands originally granted have been, as we have seen, greatly reduced in extent, but the Company still retain 25,000 acres, and although they have not yet been permitted to alienate any of this property, they are allowed to let such portions as may be applied for by steam navigation or trading companies, or by private individuals for commercial purposes ; but only as a temporary measure, pending the settlement of the question. The following are the terms :—"The lessee is entitled to hold such land as he may obtain from the Company for ten years, paying at the rate of three francs per metre." At the expiration of this term the lands, and any buildings thereon, revert to the Company. By this means the Company anticipate that they will recover the capital and interest expended on all lands reclaimed or improved by them. They also own properties at Damietta, at Cairo, and in Paris : all these properties are now worth much more than they originally cost.

There can be no question as to the prospective value of the lands belonging to the Company. The restriction of selling does not apply to the properties

at Damietta and Cairo, as these were purchased, and not ceded. Much correspondence passed between the Company and the Egyptian Government on this subject.*

This arrangement being happily entered into, at length the long-suffering Company and its projector might congratulate themselves on the old obstacles being removed, and resume their suspended labours. But they had to deal with the slow Easterns, who were likely to pretend that the real question had not been touched by the Emperor's decision. The firman was still not forthcoming, and was not granted until two years later. It was announced, indeed, at the opening of the French Chambers, that "the Sultan had declared that all the conditions that he required had been complied with."† While the matter was in suspense our projector, addressing an audience of shareholders, was enabled to stay their impatience by such an explanation as the following:—"Who talks to us about firmans at this time of day? Have we not the firman of the Emperor and of France, —and without being wanting in respect to the

* Captain Clerk.

† "Conference," 1865, p. 41.

Turkish Empire, I will merely say, that the sense of justice of the Emperor, and the support of France, are warrants worth all the firmans of the Turks." This produced an explosion of bravos.*

This delay, however, served the purpose of those who wished to propagate rumours damaging to the Canal. There were many of these enemies, disappointed speculators, denied a share in the gains of the enterprise, and who, as De Lesseps complained, would take up the line of hostility from which the English had retired.

The works were now rapidly pushed on. In England, indeed, the Canal had come to be looked on as a plaything with which a clever and an enthusiastic mountebank was amusing his gulls. It was almost forgotten, and its progress disbelieved in. It was with some surprise therefore that it became known, that on August 15th, a boat laden with coal had passed from the Mediterranean to the Red Sea. This gratifying fact, the news of which was telegraphed to the Emperor and duly acknowledged with congratulations, was not the same statement as that a boat had passed through the Canal; for

* "Conference," 1865, p. 42.

only half of the channel was ready, and that to a very slight depth ; the remaining portion being the Fresh-water Canal from Ismailia to Suez, joined to the main Canal by sluices. Still, as was said, the two seas had been joined by water and by a channel of some description.

At last, in 1866, the terms of the arbitration were embodied in a formal Convention between the Pasha and the Company, the terms of which were substantially the same as those imposed by the Imperial arbitration. Shortly after came the long-sought firman, which had been twelve years on its way. The position of the Company was now unassailable. The Pasha fulfilled his engagements loyally. Every month he paid 150,000*l.* with the utmost regularity, and there was now a prospect of general harmony between all the parties.

CHAPTER XIII.

OPENING OF THE SLUICES.

WE pass on to the year 1869. We have seen what exertions were made to push on the works by means of energetic contractors and powerful machinery. These efforts were crowned with success. We have already followed, in the last chapter on the Canal works, all the means that were employed to save labour and bring the enterprise to a conclusion.

In this year the Prince and Princess of Wales were travelling in the East, and our projector, always eager to seize on anything that would lend *éclat* to his darling scheme, determined to have a ceremonial, and, under their Royal auspices, celebrate the letting of the waters into the huge reservoir of the Bitter Lakes. The Canal was not by any means complete. The great Chalouf cutting, close to Suez, was still in progress. But everything bid

fair for having the Canal finished by the end of the year.*

“The Prince and Princess left Cairo to visit the Suez Canal works on the 24th of March, having first taken leave of the Viceroy and his Court. They started by the railway at one o'clock in the afternoon, and at half-past six their train arrived at the Suez station, on the platform of which was drawn up a guard of honour, with a band. The English Consul, Major Clerk, in charge of some English troops in transit, and Captain Roberts, of the Engineers, with the Egyptian naval and military officers stationed at Suez, received them, and the crowd of Europeans broke into a hearty cheer. They alighted and walked between lines of troops to the entrance to the Suez Hotel, where another military band took up the strains of ‘God Save the Queen,’ while the shipping in the roads opened with a Royal salute. Inside the hotel, so well known to Indian voyagers, M. de Lesseps was waiting, with M. Lavalley and M. Borel, the contractors, who were requested to

* The account that follows is given by the representative of the *Illustrated London News*. It is so satisfactory and picturesque that it has been adopted here, the phraseology being altered where it savoured of the conventional newspaper style.

come to the Royal dinner table; the Governor of Suez, Major Clerk, Mr. West, Betts Bey, and M. Larousse being also invited. De Lesseps sat on the left of the Princess of Wales. The band outside on the sea esplanade performed during the banquet, and in the evening there were illuminations.

“Next day, in accordance with the programme agreed upon with M. de Lesseps, the Prince and Princess, and most of those in attendance, started at nine o'clock in the train, and were conveyed to the end of the pier which runs out into the old roadstead, and at the extremity of which are the docks, made by the Suez Canal Company, and dry dock. The Royal party was led round the docks by M. de Lesseps and M. Larousse, the principal engineer of the section, and were waited upon by the Egyptian naval and military authorities. After a close look at the various works, the party embarked on board H.M.S. *Prompt*, in charge of an English naval officer, and crossed over to the opposite side of the channel or sea arm, near the west extremity of which Suez is situated, in order to inspect the Canal itself where it comes out into the waters of the Red Sea. The Canal is here carried out in a channel 26 feet deep, which extends beyond the sea-walls or jetties

on each side. Passing between these jetties, the *Prompt* took the party up to the first (or lowest) Barrage, which is situate at the distance of a few hundred yards from the sea entrance. Here they saw the machinery used for cutting the Canal, and beyond the Barrage or dyke were visible the pumps, dredges, and great machines at work on other sections of the Canal, which is here in its least developed condition. This little excursion was the more interesting inasmuch as the *Prompt*, 120 tons, was the first steam vessel of any size which has ever gone up the Canal from the Red Sea entrance.

“The Prince and Princess returned to the hotel at Suez about half-past ten o'clock for breakfast, and then prepared for their day's journey to Ismailia. Their departure was announced by salutes from the shipping and from the Viceroy's kiosk, by the music of the band, and by vociferous cheers. There was the usual line of troops, terminating in a circle of Egyptian naval and military men, the Port Admiral and his staff, the Governor of Suez, the Pasha in command of the troops, the Consuls *en grande tenue*, the staff of the Peninsular and Oriental Company, &c., to pay their respects. M. de Lesseps, with the contractor and chief engineer, accompanied the

Royal travellers in the saloon. The train stopped at the station of Chalouf, which is a '*campement*' of the Suez Canal Company. Here the whole party descended and crossed the Fresh-water Canal on a pontoon. At the other side there were in waiting about thirty saddle-horses belonging to the Suez Canal Company, and a little basket-carriage, to which the Princess was handed by M. de Lesseps, who took his place in the seat behind. Her Royal Highness, with Mrs. Grey, her lady-in-waiting, drove off through the pretty little streets of Chalouf, lined with chalets of wood and gardens, and his Royal Highness mounted a handsome Arab, and, attended by the rest of the party on horseback, followed the Princess's carriage to the works of the Canal, which here present a series of deep cuttings—apparently 100 ft. down—with the full breadth of 22 metres at the bottom. There is a good roadway along the side of the excavation: and the party went southwards for about a mile towards a Barrage, stopping on their way to examine the working of the inclined planes on which trucks of earth and stone excavated by the Arabs and Europeans below were run up to the top of the mounds above the roadway and tilted over, while the empty trucks were let down to the

excavation, by the same action of the steam-engines. On their way back from this busy scene the wife of one of the employés offered the Princess a large bouquet of flowers, culled from the gardens in the desert, and M. de Lesseps presented her with a bough of orange blossoms grown at Chalouf. The journey to the next halting-place, thirty-three miles from Chalouf, was made in an hour and a half, and on arriving here at half-past two, the Royal party left the train, and proceeded to embark on board a small steamer, with an attendant satellite, which conveyed them for a mile or two along the Fresh-water Canal to Serapeum—another embankment of the Company, on the banks of the Maritime Canal, north of the Bitter Lakes. It is a small town of wooden houses, neatly built and painted, with gardens full of fruit-trees and flowers here and there, and with restaurants, cafés, hotels, stores, and shops, placed on a very high ridge above the desert plateau. The little colony turned out in force, and on arriving at the Bank above the Maritime Canal, the Royal visitors were received by Madame de Lesseps, Madame Borce, Madame and Mdlle. Guichard, Mdlle. Voisin, MM. Guichard, C. de Lesseps, Dr. de la Roche, M. Voisin, director-general of the

works, and others from Ismailia. There was a guard of cavasses at the great flight of wooden steps which leads from the top of the bank to the Canal, and below were two of the larger and two of the smaller steamers of the Suez Canal Company awaiting to convey the party and their suite to the Barrage or dam, which now alone prevents the waters of the Mediterranean from flowing into the Bitter Lakes in an impetuous and destructive torrent. It will be understood that from Port Said, on the Mediterranean, to this barrier, the Suez Canal is open, so that a vessel can pass through if she does not draw more than 15 ft. of water : but it is only in places that the full depth of eight metres, or 26 ft., has not been attained.

“ The process of letting in the Mediterranean Sea water to fill the vast empty basin of the dried-up Bitter Lakes was, however, to be gradually performed. A few days before the visit of the Prince of Wales, on March 1st, the dam at Toussoum, which kept out the waters of the Mediterranean, had been cut in presence of the Viceroy, and the supply of water from the Fresh-water Canal stopped. Four millions of cubic metres of water entered in twelve hours. The current was stronger than had been anticipated,

and the stream, rushing through to the lower level, swept away some of the dredging-machines, overturned one, and drowned one, if not two persons. The trench of the Fresh-water Canal was thus rapidly emptied into the lower level of the newly-formed Maritime Canal, and there millions of fresh-water fish, on which crowds of gulls are now feeding, met their death in the water coming from the salt sea. At this end of the Maritime Canal there was now erected a reservoir with a wooden barrier, apparently 200 yards long, parallel to the course of the Canal—the Fresh-water Canal being at right angles to it—provided with a great number of small *écluses*, or floodgates. A sloping ledge of planking led from the level of the Canal bed at the bottom of the sluices to the natural depression of the bed of the Bitter Lakes, and on the opening of a sluice a stream of water rushed over this ledge across an artificial mound of rocks into the Lake.

“ When the Prince and Princess reached this barrier a number of workmen were ready at the sluices with levers and sledges, and M. de Lesseps conducted the Royal party to a narrow bridge, or trestle-work, below it, extending across the narrow end of the Lake, from which they could see at their

ease the rush of water. The Viceroy had seen the first of the sluices drawn, and ever since water had been passing through, but it only formed a large pool in the neck of the Lake. Nevertheless, the fish of the Mediterranean had already found their way to this pool, and were disporting in the rush of water over the stones. When the Prince and Princess had seen the nature of the work, at a given signal some dozen or so of the sluices were raised, and the salt water spurted forth in a milk-white gush from as many freshly-opened sources, and then flowed quietly away to its appointed bed.

“ Having watched this interesting sight for some time the Royal party returned to the steamers on the Maritime Canal at Serapeum, and proceeded northwards towards Ismailia, about fourteen miles distant, which they reached at dusk. In the voyage the steamer passed through Lake Timsah. They passed the night in the Viceroy's kiosk or pavilion, four miles beyond Ismailia, and next morning rode on to El Guisr, another station of the Suez Canal works. Having inspected all there, they embarked in a steamboat on the Maritime Canal, and so arrived at Port Said between five and six in the afternoon. They went on board the Viceroy's beautiful yacht,

the *Mahroussieh*, and this vessel conveyed them in the night to Alexandria, where they were transferred next day to H.M.S. *Ariadne*, and had an easy voyage to Constantinople."

A more interesting excursion could scarcely be imagined. The spectacle of the various little towns along the Canal, the rows of gay brilliant chalets, the Fresh-water Canal with its steam launches and boats, the banks lined with gardens at Ismailia and Chalouf, the enormous works and workshops at Suez and Port Said, the docks and tall chimneys—and all this where within half a dozen years had been a desert—formed one of the most striking contrasts conceivable. It was a change from the days when, as De Lesseps tells us, "Our caravan in crossing carried our water, our victuals, sheep, and fowls. Beyond these animals there was not even a fly in this hideous desert. At night we opened the cages of our fowls, full of confidence, for we were sure that the next morning all our beasts would come round us, not to be abandoned in these desolate places where solitude is death. When we struck our camp of a morning, if at the moment of departure a hen had lurked behind pecking at the foot of a tamarisk shrub, quick she would jump up frightened on the

back of a camel to regain her cage." There was a political significance in the spectacle of those Mediterranean waters rushing over the barriers and hurrying on to join its sister sea.

It was calculated that the filling of these Bitter Lakes, which, according to De Lesseps, are forty leagues in circumference, and contain 440,000,000,000 gallons, would take many months to accomplish. Once full, a single barrier beyond Chalouf was all that restrained the further progress of the water.

CHAPTER XIV.

THE OPENING OF THE CANAL.

AT last the great Chalouf cutting was finished, and the first weeks of November were at hand. The ceremonial was to be worthy of the occasion. Kings, Emperors, and Empresses were coming to take part in the gala. The gallant projector, who had struggled for fourteen years to carry his scheme, was now to be rewarded for his labour and perseverance. He will always have the sympathy of future generations when it reads his story and of the happy completion of the work.

And yet the result, as will be seen, was still precarious. Much was uncertain ; and the procession of a number of great ships for the first time through such a narrow channel was a pure experiment, and a very hazardous one. It was impossible to foresee the accidents and impediments that might arise ; but with his usual courage he provided against such dangers, and with his admirable

energy was ready to encounter them when they arose. They were now displaying themselves in the most embarrassing way, that is, on the very eve of the opening.

“Fifteen days before the inauguration of the Canal, the engineers came to tell me that, between two soundings, taken at distances of 150 metres, by means of square shafts, holding twelve men, a hard rock had been discovered, which broke the buckets of our dredgers. We have been blamed for not perceiving it sooner.* Was it possible to take soundings at shorter distances in a length of some 102 miles? At this sad news I hastened to the place pointed out. There we found a boulder rising fifteen feet above the bottom of the Canal, and leaving only between nine and ten feet of water. What was to be done? Every one began by declaring that there was nothing to be done. ‘Go and get powder at Cairo,’ I cried, ‘powder in masses—and then, if we cannot blow up the rock, we will blow ourselves up.’ The Sovereigns were on their road to the rendezvous. All the fleets of the

* Sir J. Hawkshaw had long before warned them of this danger, declaring that soundings at such intervals were not a guarantee.

world had been bidden, and were about to arrive. It was necessary at any price to be in a position to receive them. The intelligence and energy of our workmen saved us. Not a minute was lost, and all the ships were able to pass.

“ Enchanted with this result, the Viceroy came to me, and asked me to make the necessary arrangements for receiving the Sovereigns and the foreigners to the number of 6000, whom we were to shelter and feed. Sheds were constructed in a few days to hold 600 persons, with tables constantly replenished and served. The Viceroy had brought over 500 cooks and 1000 servants from Trieste, Genoa, Leghorn, and Marseilles. There was also, opposite the Sweet-water Canal and Lake Timsah, a village of 25,000 Arabs, who were likewise affording hospitality under their tents.”

Our projector was also to meet with another contretemps, which he surmounted with his accustomed energy.

“ All these preparations were completed when, on the 15th, as I was about to leave for Port Said, at nine o'clock in the evening, I heard a sound of petards and rockets bursting. It was the fireworks which had been brought for the fêtes, and which

having arrived too late by the railway, it had been impossible to convey, as I had wished, to the sand-hills outside Ismailia. They had been placed in the timber-yard in the middle of the town, which narrowly escaped becoming entirely a prey to the flames. Two thousand troops came opportunely, and the town was saved—thanks to the system always employed at Constantinople, and which consists in unceasingly pouring water on the walls and roofs of the neighbouring houses.

“Despite our efforts the wall became heated all round to such an extraordinary temperature that it was threatening to spread the fire, when I was told that underground in the yard there lay buried in the sand a large quantity of gunpowder. I begged that nothing might be said, and directed all the pumps that way. Fortunately the wind fell altogether, and the town was saved.”

It was now Tuesday, the morning of the 16th November, and Port Said presented a brilliant show. The great personages were arriving. The Viceroy had come to meet them, by way of the Canal, from Ismailia, having left the *Empress of the French* at Cairo. She had returned to that city from her trip up the Nile, and had made a nocturnal expedition to

see the Pyramids illuminated with the magnesium light. The Emperor of Austria, in his steam yacht the *Greif*, had returned to Egypt from the shores of the Holy Land, where he had made a short tour, as the Crown Prince of Prussia did within a few days of the same time, both coming to Port Said for the opening of the Canal. The Empress Eugénie, both as a lady of exalted rank and as wife of Napoleon III., to whose encouragement the great work of M. de Lesseps was so much indebted, was entitled to take the leading part.

“She came by railway from Cairo to Alexandria on the Monday forenoon, and embarked in the French Imperial yacht *Aigle*, which conveyed her to Port Said. After lying off that place an hour or two before daylight, the *Aigle* came in about eight o'clock in the morning. In front of Port Said, and distant a couple of miles from the entrance to the port, were two large Austrian ironclads, which were in a few minutes covered to the masthead with gay flags. Lying off the entrance, in a line, were the five ironclads of the British fleet. Beyond them lay the *Rapid*, despatch-boat, and near her a small Russian sloop of war. Nearer to the entrance of the port

were some Italian steamers, gaily decorated with flags. Then along the whole length of the break-water there was a clear space, and there, crowded up in front, or rather by the side of the town, was a perfect forest of masts, covered to the trucks with gay flags. The American flag floated over the Consulate on shore, but no American ship was to be seen. There were no less than 160 vessels in the port. The shipping were chiefly French, Austrian, and Italian vessels, with one or two Swedish and Prussian steamers. The town and the shipping altogether formed a pretty spectacle. The two Austrian and five British ironclad ships of war outside the harbour, as soon as the French Imperial yacht *Aigle* came near them, manned yards and fired a grand salute. Steaming past the other vessels at the mouth of the port, the *Aigle* entered the mouth of the basin, and slowly approached the fleet of vessels massed opposite the town. Here there was no attempt at regularity; vessels of war and merchant steamers were crowded together; all were decorated with lines of flags, and the yards of the men-of-war were manned. The merchant steamers were crowded with passengers. As the *Aigle*

entered the port the salute began, and so many were the vessels of war, that for a time the cannonade was heavy. The hulls of the ships were completely hidden by the volumes of smoke, and the *Aigle* paused a little to let it clear off before entering. Then, as she steamed along between the two lines of steamers, the cheering broke out. From the yards of the men-of-war, from the decks of the passenger steamers, from the crowd upon shore, it was heard in every language. It was a most exciting scene, till the yacht of the Empress took up its appointed station, alongside the *Mahroussieh*, the state yacht of the Viceroy of Egypt, on the other side of which lay the Imperial Austrian yacht *Greif*. The Emperor of Austria and the Viceroy of Egypt were on board the *Mahroussieh*; with them was Mr. Elliott, the British Ambassador to Turkey. The Viceroy immediately went on board the *Aigle* to pay his respects to the Empress. He was followed by the Emperor of Austria and the Prince of Prussia. The men-of-war now began to pay the compliments to each other's flags with which the English fleet had commenced. For an hour there was almost incessant cannonading, to which the guns of the English fleet served as an occasional echo, as

they, too, concluded their round of friendly compliments."*

After this exciting day the agitating troubles of our projector were to begin. While busy with the great pavilion in which the religious rites of the next day were to be performed and the illustrious guests to be grouped, he found that a great tide had risen and surrounded these structures. But by this time he and his staff were well accustomed to deal with the encroachments of water. A temporary embankment of sand was soon formed and this danger surmounted, still, when time was so precious, it was a serious annoyance. But what was it to all that was now awaiting him? He shall tell the story himself.

"On that evening, after receiving the Empress and the foreigners, I was making arrangements with the captain of the port. We had settled everything, when at midnight we learn that an Egyptian frigate has run aground thirty kilometres from Port Said, in the middle of the water—that is to say, that she had run on one of the banks, and, lying across the Canal,

* This description is also taken from the *Illustrated London News*, the language a little altered and irrelevancies cut away.

was barring the passage. I at once collected the means necessary for getting her off. A steamer was sent with men and appliances for the operation. They returned at half-past two in the morning, saying it was impossible to move the frigate. One must have confidence in this world. Without it nothing can be done. I did not wish in any way to change the next day's programme. Logically I was wrong, but the results proved me right.

"At three in the morning the Viceroy, who had left for Ismailia to receive the Sovereigns and Princes, hearing of the grounding of the frigate, returned in all haste. On passing he had made some useless efforts to dislodge her. He sent for me on board his boat, and I found him in great anxiety, for our minutes were already numbered. If we had adjourned the opening even to the next day, what would have been said? Despatches at Paris were already publishing that all was lost.

"Powerful assistance was placed at the disposal of the Prince, who took with him a thousand seamen of his squadron. We agreed that there were three methods to be employed: either to endeavour to bring back the vessel to the middle of the channel, or to fix it to the banks; and if these two means

failed, there was a third. We look into each other's eyes. 'Blow it up!' cried the Prince. 'Yes, yes; that's the way. It will be magnificent.' And I embraced him. 'But at least,' added he, smiling, "you will wait till I have taken away my frigate, and that I am able to announce to you that the passage is free.' I would not even grant him this respite. The next morning I went on board the *Aigle*, without mentioning the accident to any one, as you may well believe.

"The fleet started, and it was only five minutes before arriving at the site of the accident that an Egyptian admiral, sailing on a little steamer, signalled to me that the Canal was free. On arriving at Kantara, which is thirty-four kilometres from Port Said, the *Latif*, dressed in flags, saluted us with her guns, and every one was charmed with the attention which had thus placed a large frigate on the passage of the fleet of inauguration." It only wanted these dramatic elements to make so dramatic a venture complete.

"After this agitating night the next day's proceedings began; the ceremony of pronouncing a benediction upon the Canal, by the clergy of the Moham-
medan, Greek-Catholic, Coptic, and Roman Catholic

Communion, took place at three o'clock the same afternoon. It was performed in the pavilions erected on the sand of the seashore, in front of the road and line of cottages named the Quai Eugénie. A footway of planks had been constructed from the landing-place to the pavilions. It was lined along its whole length with Egyptian infantry. The field artillery were stationed far out on the sands, close to the seashore. The pavilions were three in number, one containing seats for the Khedive and the Imperial and Royal guests and their immediate attendants, another an altar dressed according to the regulations of the Catholic Church, and the third a pulpit for the Mussulman Ulemah. They were all built of wood, prettily carved, and adorned with tropical plants and flowers and the flags of all nations. The masts at the four corners of each pavilion were surmounted with a gilt crescent; but in front of the Christian sanctuary was a shield bearing the cross of Jerusalem, with four small crosses arranged round the large one. The Moslem pulpit, surmounted by an inscription from the Koran, faced eastwards, looking towards Mecca; and the grand pavilion for the visitors fronted both the others.

“The Empress, the Emperor, the Viceroy, and all

the illustrious party, had to walk from the landing place to the pavilions, a distance of half a mile. The Heir Apparent of Egypt came first, with the Princess of Holland on his arm. The Empress of the French took the arm of the Emperor of Austria, and the Khedive and Crown Prince of Prussia walked on each hand. The Grand Duke Michael of Russia and the young Prince of Holland accompanied them ; and a brilliant staff of French, Prussian, Russian, Austrian, and Egyptian officers, all in uniform and decorations, followed in procession. There was much cheering all along the line for the Empress ; and the Kaiser was warmly welcomed, there being many Austrian subjects at Port Said. The Emperor of Austria wore his uniform of white tunic, scarlet pantaloons, and cocked-hat and green feather ; the Prince of Prussia that of the uniform of the Prussian Guard. The Viceroy's uniform was blue, with gold lace, and with a broad green ribbon ; the hilt of his scimitar blazing with jewels. Entering the pavilion, the Empress took the central seat, having the Emperor of Austria upon her right and the Khedive upon her left. Behind were a crowd of distinguished persons in every variety of uniform, including M. de Lesseps ; Abd-

el-Kader in his Arab costume ; Mr. Elliot, British Ambassador ; Colonel Stanton, British Consul-General ; other members of the diplomatic body ; Admiral and Lady Milne, Sir Leopold Heath, and officers of the fleet, and others ; the Earl of Dudley and Ward, Lord Houghton, Sir F. and Lady Boileau, Mr. Spencer Ponsonby ; Sir Frederick Arrow, of the Trinity House ; Mr. Elliot, Mr. H. S. Edwardes, Mr. Gourley, Mr. Gregory, Mr. C. Lyttelton, Mr. Hawkshaw, Mr. Bateman, engineers ; Mr. C. Clarke, President of the Liverpool Chamber of Commerce ; and Mr. Ramsay, President of the Glasgow Chamber, and many others were on the platform or among the crowd beneath on the sand. After a short pause the religious ceremonies began. The Ulemah, or chief ecclesiastic of the Mohammedan faith, a venerable personage with a flowing white beard, read from his scroll of parchment a prayer to Allah to bestow a blessing on the multitude assembled there, and on the enterprise they had come to dedicate to the service of mankind. This part of the ceremony was very brief, but the scene was a striking one. The Mussulman having concluded, the Archbishop of Jerusalem, in full robes, ascended the steps of the high altar in the Christian kiosque and, with the attending priests,

said mass. This over, the Archbishop retired, and a handsome priest, clothed in purple, who was Monsignor Bauer, the Empress's confessor, came forward, and, standing a few steps below the altar, proceeded to deliver an eloquent discourse or *éloge* on the Suez Canal, M. de Lesseps, the Viceroy, the Empress, and all the illustrious visitors present. Master of a fine voice and skilled to use the fluent and graceful rhetoric of the French pulpit, the orator made a very felicitous speech. When he compared M. de Lesseps to Columbus there was a slight burst of applause. The company then withdrew; the Emperor of Austria gave his arm to the Empress of the French. There was a little offering of flowers made by a group of little girls to her Majesty at the foot of the platform or dais. The Viceroy followed, then came the Crown Prince of Prussia, the Netherlands Princess, and the rest of the Royal party, who proceeded on foot, as before, in a sort of procession between the line of troops to the jetty, where the barges were waiting to take them on board their respective yachts.

“The illumination and display of fireworks at Port Said that evening were magnificent. Each of the

streets had been adorned with a double line of red flagstaffs with the crescent, different coloured banners, and lines of coloured lanterns. Many of the houses had hung out flags. As evening fell, and the sun sank behind the long straight line of sand, the view from the ships was very picturesque. The deep glow faded from the sky, and the forest of masts now denuded of their colours, became confused and indistinct, faint lines of light seemed to creep like golden gossamer threads across the sky. Long lines of lanterns, festooned from mast to mast and down the lines of rigging, everywhere made their appearance. Some of the men-of-war could be traced by the lights placed at every porthole. Nor was the scene less brilliant on shore. There the long lines of lanterns marked out the streets, while away far to the right the Arab town and the tents of the troops were marked out by the long lines of light. The piers and breakwater were lighted up by tar-barrels placed at short intervals. Over all the moon shone brightly, while the flashing electric light upon the summit of the lofty lighthouse at one moment flashed out intensely bright, and then faded into comparative darkness. In the background, behind the Royal yachts, flights of rockets continued to as-

cend, lighting up the scene, now with coloured stars, now with showers of falling gold.

“Wednesday morning, the eventful day so long looked forward to, broke bright and clear, with a pleasant fresh breeze blowing. The *Aigle*, with the French Empress on board, started punctually at eight o'clock, and was followed in regular order by the ships, none of which, it should be noted, all being lightened for this occasion, drew more than 13 ft. of water.*

* “Their order was as follows :—*Aigle*, French Imperial yacht ; *Greif*, Austrian Imperial yacht ; Prussian frigate, with the Crown Prince on board ; Swedish yacht, with Prince Oscar of Sweden on board ; Russian warship, with Grand Duke Michael on board ; Russian Admiral's ship ; Dutch gunboat, with Prince and Princess of Holland ; *Psyche*, English despatch-boat, with the Ambassador from Constantinople ; Swedish vessel ; *Peluse*, one of the Messageries Impériales steamers ; *Rapid*, English gunboat ; another Messageries steamer ; *Vulcan*, Austrian warship ; *Forbin*, French gunboat ; another French boat ; tug-steamer, conveying *Cambria*, English yacht, with her owner, Mr. Ashbury, on board ; *Dido*, one of the English telegraph steamers ; English steam-yacht ; *Tonareg*, a Swede ; a British sloop-of-war ; *Thabor*, one of the Messageries Impériales service ; *Pluto*, Austrian Lloyd's steamer ; *Hawk*, English steamer, carrying to Suez the shore end of the British Indian Telegraph ; Russian merchant-ship ; *Europe*, Messageries Impériales ; *Lynx*, English steamer ; *Principe Tomaso*, and *Principe Oddone*, *Società Adriatica Orientale* (Italian) ; *Principe Amadeo*, Italian steamer ; Austrian steamer ; *Scilla*, Italian frigate ; *America*, Austrian Lloyd's ; *Chabin*, Egyptian Government steamer ; *Fayoum*, ditto.”

“As the French Imperial yacht entered the Canal from Port Said, it passed between the two great obelisks which mark its entrance—hollow wooden structures, painted a light red, to imitate the granite obelisks which the Company proposed to erect there. During the passage five or six of the vessels stuck fast in turning round the curves, or in trying to avoid each other, but were soon got off without damage. All, however, arrived safely at Ismailia, the midway port in Lake Timsah, which was reached by the French Imperial yacht about sunset, after a passage of nearly twelve hours. The motley population of Ismailia had been looking for her arrival hours before; and when she came winding slowly but surely through the turns of the Canal, and when at last her hull came fully into view as she glided into the broad waters of the Lake, there was one loud, enthusiastic cheer, which was drowned by the roar of cannon. From the batteries on the banks the sound of the heavy guns came booming across the water; the sharp, quick rattle of platoon-firing followed; and the Egyptian troops shouted as the first sea-going vessel which had ever crossed the isthmus steamed into the inland lake, having on board the Empress of the French, the wife of the Sovereign

who, through ill and good report, had been staunch in his support of the enterprise which now stood proved and accomplished. The last rays of the setting sun shone brightly on the low sand-hills which surround the Lake, upon the still waters, upon the wide expanse of the desert stretching away into the far distance. And as the *Aigle* came on, the two French steamers of the Messageries Impériales that had come up from Suez from the Red Sea passed out of the cutting, under which they lay moored, into the Lake. Scarcely had the *Aigle* got clear of the strait when she was followed by the *Latif*; and then the Imperial Austrian yacht passed into view, bearing at its mainmast the yellow standard of the House of Hapsburg. There was a pause before any other ship hove into sight, and meanwhile the night had come on and the crowd dispersed."

This entrée, being so purely French, could not be effected without a display of sentiment truly national. "On arriving at Ismailia," De Lesseps relates, "the Empress told me that during the whole journey she had felt as though a circle of fire were round her head, because every moment she thought the *Aigle* stopped short, she saw the honour of the French flag compromised, and the fruit of our

labours lost. Suffocated by emotion, she was obliged to leave the table, and we overheard her sobs—sobs which do her honour, for it was French patriotism overflowing from her heart.”

“Thursday morning showed the strange little town of Ismailia in festive attire. The Empress of the French, the Emperor of Austria, and the other great persons landed early from their ships, and were conducted by the Khedive to his new palace lately built for the occasion. They went in carriages and four, along the avenue from the pier, under a triumphal arch, the road being guarded by two regiments of cavalry, one of lancers on white horses, and the other, with carbines, mounted on bays. They passed over the drawbridge, and turned to the right along the Quai Mehemet Ali, a wide boulevard with the private residences of the principal people on one side, a double roadway with two rows of trees planted down it, and the Fresh-water Canal bounding it on the side towards the lake. Here are the pretty villa which M. de Lesseps has built for his private use, the residences of MM. Borel and Lavalley, the contractors, the house of the Egyptian Governor of Ismailia, and the Viceroy's palace. The boundary wall of M. de Lessep's garden was

covered with creepers, and every building was bright with flowers. The best public gardens in the town are those in the Place Champollion and at the water-works, where the supply of water is pumped for Port Said; and the former was especially gay with ever green arches and brilliant parterres. The Empress descended at M. de Lesseps'; but while a number of people were waiting there at one door in hopes of being received by her, she went quietly out by a side entrance, mounted a camel, and rode off along the Quai past the Arab camp. M. de Lesseps rode on a white pony at her left. She then returned to the palace, entered a pony-chaise, with the Emperor of Austria, and was driven about the streets, wearing an enormous straw hat with a long veil. The street through which they drove is named the Avenue Francis Joseph, and was decorated with a triumphal arch in honour of the Emperor of Austria. The multitude of Arab tents on the esplanade, and the performances of the Bedouin horsemen, galloping to and fro, shouting, and firing off their muskets, seemed to amuse her very much. The Viceroy entertained their Majesties and Royal Highnesses, at night, with a sumptuous ball in his new palace, attended by several thousand people.

“Of the miscellaneous fleet of vessels collected at Ismailia, some moved on towards Suez the next day, Friday, the 19th, but in no regular order. Those conveying the Empress, the Emperor, and the other illustrious visitors started about noon. They stopped that night in the Bitter Lakes, and went on next morning to Suez, which they reached at eleven o'clock on Saturday, the 20th.”

Such was this auspicious festival. The vessels had passed from one sea to the other. But a vast deal remained to be done ; and it will have been noted that none of the vessels had drawn more than thirteen feet of water.

CHAPTER XV.

DISPUTES WITH THE KHEDIVE.

NOW that the Canal was fairly opened and working, this happy consummation became the starting-point for a fresh series of difficulties. These, strange to say, were to arise between those who were most interested in its success.

These early contentions were commenced with the Lord of the soil—the Khedive. A few days after the grand ceremonial of letting the water into the Bitter Lakes, performed by the Prince of Wales with such *éclat*, a “transaction” was arranged between the Khedive and the Company. The latter were in want of money to complete the works; and the Pasha, as we have seen, was eager to recover some portion of his estate which he conceived his predecessor had parted with rather improvidently. With this view a convention was entered into. By this arrangement he purchased the right of levying

tolls and of navigating the Fresh-water Canals, which already were his property. The late Pasha had contracted to make them, but had failed to do so, so the Company had constructed them and transferred them to the Viceroy, under the award, for a sum of 400,000*l*. For these privileges, as well as for the right of fishing in the Suez Canal itself and the Great Lakes, he was charged a sum of 800,000*l*. He also took over the hospitals, magazines, &c., at Damietta and Boulak. He was without cash to pay for this purchase, but it was agreed that he should be charged at the rate of ten per cent., not a very oppressive rate for an Eastern, and that he should cut off from his bonds the coupons for twenty-five years; until the year 1895. Loud cries have been raised as to the extortionate character of this bargain; but it must be recollected that the Canal was not paying, and did not pay for some years to come; and that these coupons were of rather a speculative character. Interest had been paid out of capital, and it had afterwards fallen into arrear. The Company, on these securities coming into their possession, proceeded to mortgage them, and issued a number of Bonds, or "Delegations," which put them in

funds.* This arrangement was to give rise to some trouble. Little more than two years later, at the general meeting on August 24th, 1871, the council of lawyers which advised the Company, declared that the original holder of the mortgaged shares could not be allowed to take part in the direction of, or be represented at, the meeting. With this view two resolutions were adopted. The first was to the effect—

“That the elective element should be adopted in the choice of members for the council, and that every candidate offering himself at the general meeting should be qualified by the nominal and actual—*“propriété réelle et nominative”*—holding of one hundred shares in pursuance of Article 28 of the Statutes.”

It was also declared “That as the Egyptian shares could not be represented at the general meeting so long as they were separated from their coupons, while on the other hand the coupons themselves, in the shape of Delegations, could not be recognised, the meeting declared that a propor-

* See the financial history of the undertaking, where this transaction is fully explained.

tionate reduction, either the 20th or 10th of the shares necessary to validate such a meeting, according to Statutes 44 and 67, should be made, assuming 223,398 shares to be the foundation, instead of 400,000, as it stood originally.* This seems a

* The following is the French text :—

“ Le Conseil, voulant préparer les voies dans lesquelles il devra entrer à l'expiration de son mandat spécial, aux termes des statuts, se croit autorisé à introduire dès à présent l'élément électif dans le renouvellement de ses membres, et à l'avenir il sera pourvu à toute vacance par l'élection de l'Assemblée générale. Il est entendu que les candidats, pour être présentés au choix de l'Assemblée, devront justifier de la propriété réelle et nominative de cent actions, en vertu de l'article 28 des statuts.”

Résolution relative au nombre d'actions appelées à participer aux Assemblées générales.

“ Les actions égyptiennes ne pouvant pas être représentées aux Assemblées générales pendant tout le temps qu'elles sont privées de leurs coupons, et d'un autre côté les délégations des coupons ne pouvant pas non plus y être admises,

“ L'Assemblée décide qu'il y aura lieu, à l'avenir, d'adopter le vingtième ou le dixième des actions nécessaires pour valider les Assemblées générales en prenant pour base 223,398 actions au lieu de la base de 400,000 actions exigées par les articles 44 et 67 des statuts.”

Résolution concernant le nombre des Administrateurs.

“ L'Assemblée décide :

“ Le nombre des administrateurs indiqué par l'article 24 des statuts est réduit à vingt et un.”

“ Les paragraphes 3 et 5 de l'article 63 des statuts, attribuant

fair restriction. The interest of a shareholder at such a meeting, and his claim to control proceedings, would certainly be based on the receipts he would expect from the enterprise. Once debarred from the enjoyment of those returns, he would naturally be indifferent, or at least would not have the same stake in the concern as those who were reaping profits.

The Khedive, however, did not take this view, and while ratifying the other resolutions, announced that he would take time to consider the one that affected his interests.* But shortly afterwards he

3 o/o aux administrateurs, 70 o/o aux actions, sont modifiés de la manière suivante :

“§ 3. 2 o/o aux administrateurs.

“§ 5. 71 o/o comme dividende à répartir entre toutes les actions amorties ou non amorties indistinctement.”

* Here is the French text of his letter :

“Pollone, le 14 octobre 1871.

“*A M. le Directeur de la Compagnie universelle du Canal maritime de Suez.*

“Monsieur le directeur,

“S. Exc. Nubar Pasha (ministre des affaires étrangères) me charge, par lettre du 2 octobre 1871, de vous notifier au nom de son Altesse le Khédive :

“1° Qu’il ne s’oppose point à ce que, à l’avenir, les vacances du Conseil d’administration soient complétées par les actionnaires, ainsi que l’a décidé votre Conseil d’administration.

“Il ne lui a pas échappé que les formes nécessaires pour la

declined to sanction it, on which the matter was once more referred to the council of lawyers, who on December 11th, 1871, reported that as the right of taking part in the general meetings was restricted to the associated proprietors of 25 shares—persons, that is, not merely having proprietorship, but actual enjoyment of their rights—this double interest should be represented at the meeting. And further, that as the same principle of exclusion was applied to those shareholders who do not hold the proper number, *as well as to those who, whatever the number they hold*, who represent either the capital or the

modification de l'article 77 des statuts n'avaient pas été remplies ; mais il admet avec la Compagnie que cet article accordant une *autorisation* et n'imposant pas une *obligation*, la nouvelle pratique que va adopter la Société n'en implique pas le changement.

“ 2° Son Altesse consent à ce que les articles 24, 29, 63 des statuts soient modifiés conformément à la deuxième résolution de l'Assemblée des actionnaires et qu'à l'avenir le nombre des administrateurs soit réduit de 32 à 21 et que la part dans les bénéfices nets attribuée aux administrateurs soit réduite à 2 0/0 et celle réservée aux actionnaires portée à 71 0/0.

“Son Altesse me communiquera bientôt sa décision sur la première des résolutions des actionnaires, relative au nombre d'actions nécessaire pour valider les assemblées générales.

“Veuillez agréer, Monsieur le Directeur, l'assurance de ma haute considération.

“ *Signé* : EMILE OLLIVIER.”

receipts, but not both: therefore the council declined to change its decision.* On the 3rd of June, 1872, the Egyptian Ministry again refused to accept this view, and here it will be better to give the official account of the next stage of the transaction.

“ Les conseils du Gouvernement égyptien ont considéré que les affiches par lesquelles le public a été appelé à recevoir les délégations des coupons, annonçaient formellement que les délégataires n'auraient point le droit d'assister aux Assemblées générales. Par conséquent, une propriété de 176,000 actions ne pouvant manquer d'être représentée dans les délibérations relatives à cette propriété, ils regardent le droit du propriétaire comme n'étant point sujet à discus-

* The French text is as follows :—

“ Il se réunit pour la troisième fois le 11 décembre 1871. Ses premières décisions se trouvent confirmées dans les termes suivants :

“ Considérant que le droit d'assister aux Assemblées générales n'est attribué qu'aux associés propriétaires de 25 actions, c'est-à-dire ayant à la fois la propriété et la jouissance, double intérêt qui doit être représenté aux Assemblées générales ;

“ Considérant qu'ainsi se trouvent exclus aussi bien les actionnaires qui ne remplissent pas la condition du nombre que ceux dont les titres, quelle qu'en soit la quantité, ne sont plus entiers et ne représentent que le capital ou la jouissance et non pas l'un et l'autre.

“ Par ces motifs, le Conseil judiciaire maintient ses premières décisions.”

sion. Une note du Gouvernement égyptien, en date du 3 juin 1872, a invité son commissaire près la Compagnie à soumettre ces considérations à notre Conseil judiciaire.

“ Une seconde note en date du 3 juin, dont il nous a été donné communication, et qui était adressée au commissaire égyptien par le ministre des affaires étrangères d'Égypte, était ainsi conçue :

“ “ Son Altesse a vu avec un vif regret les dissentiments qui se sont élevés dans le Conseil d'administration de la Compagnie universelle du Canal maritime de Suez, et qui lui semblent de nature à préjudicier aux intérêts du Canal et par conséquent aux intérêts de l'Égypte.

“ “ Ces dissentiments ne se seraient pas produits si la Compagnie n'était pas sortie de la lettre des statuts qui donnent au Conseil seul le droit de se compléter en cas de vacance.

“ “ Après avoir pris les ordres de Son Altesse, je vous prie d'inviter le Conseil d'administration de la Compagnie à rentrer dans l'observation des statuts, qui avaient précisément pour but d'éviter les faits qui se sont produits.

“ “ *Le Ministre des Affaires étrangères,*

“ “ *Signé : NUBAR.*”

It was clear that they felt they could not push their rights too far against the patron of the Company and the lord of the soil. The judicial council accordingly recommended moderation :

“ Voici l'extrait du procès-verbal de la séance du Conseil judiciaire de la Compagnie en date du 2 juillet :

“ Sur la première question :

“ “ En présence du différend que le Président-Directeur a fait connaître à l'Assemblée générale des actionnaires du 12 mars 1872, et dont la solution est, dès à présent, cherchée et sera préparée par les conseils du Prince et par ceux de la Compagnie, il convient d'aviser et de décider si, en attendant la solution, l'exclusion du Khédive doit être maintenue ou s'il n'y a pas lieu d'admettre le Prince à l'exercice de ses droits d'actionnaire.

“ “ M. le Président-Directeur remet au Conseil judiciaire les procès-verbaux de ses précédentes délibérations, ceux des Assemblées générales des actionnaires du 24 août 1871, et du 12 mars 1872, et deux lettres du commissaire égyptien près de la Compagnie du 24 novembre 1871 et du 15 juin 1872 relatives à la question.

“ ‘ Sur quoi,

“ ‘ Après avoir entendu le rapport de M. Sénard, son Président, et après avoir délibéré,

“ ‘ Attendu qu’il y a litige sur la question de savoir si la délégation faite par S. A. le Vice-Roi, des coupons détachés de ses actions a pour effet de porter atteinte à son droit de concourir et de voter avec ces mêmes actions aux Assemblées générales ;

“ ‘ Que jusqu’à ce qu’on se soit entendu ou que la question ait été jugée, la provision est due au titre et que, dès lors, le droit réclamé par le Vice-Roi doit provisoirement s’exercer ;

“ ‘ Le Conseil judiciaire,

“ ‘ En maintenant le principe de ses décisions des 3 juillet 1869, 20 juin et 20 décembre 1871,

“ ‘ Est d’avis à l’unanimité :

“ ‘ Qu’il y a lieu en l’état de litige existant, jusqu’à ce que le différend ait pu recevoir une solution, d’admettre provisoirement les titres du Vice-Roi à l’Assemblée générale du 31 juillet prochain.’ ”

On the minor questions, as to the election of the Council, the following resolutions were adopted :—

“ Sur la seconde question :

“ ‘ M. le Président-Directeur expose au Conseil

judiciaire qu'aux termes de l'article 77 des statuts le Conseil d'administration est autorisé, pendant la durée du mandat spécial qu'il a reçu dudit article, à se compléter, en cas de vacances, de quelque manière que ces vacances se produisent ; que dans l'Assemblée générale des actionnaires du 24 août 1871, une déclaration a été faite au nom du Conseil d'administration portant qu'à l'avenir il serait pourvu à toute vacance par l'élection en Assemblée générale ; que, par lettre de son commissaire en date du 14 octobre 1871, le Khédive a notifié à l'Administration qu'il ne s'opposait pas à cette nouvelle pratique qui n'impliquait pas d'ailleurs le changement de l'article 77 ; qu'en conséquence, à l'Assemblée générale des actionnaires du 12 mars 1872, il a été pourvu, par la voie de l'élection, au remplacement de deux administrateurs ; que cette élection ayant produit les résultats regrettables que l'on sait, le commissaire du Gouvernement égyptien a fait savoir, par lettre du 10 juin 1872, que le Khédive, considérant ces résultats comme préjudiciables aux intérêts du Canal, et par conséquent, aux intérêts de l'Egypte, invitait le Conseil d'administration à rentrer dans l'observation des statuts et à ne plus user de l'autorisation qu'il avait précédemment reçue de faire

compléter le Conseil en cas de vacances par l'Assemblée des actionnaires ; qu'il y avait lieu, dans ce moment, à pourvoir à une vacance et à nommer un administrateur pour compléter le Conseil au nombre statutaire de 21 membres ; mais qu'en l'état des choses le Conseil d'administration se demande quel parti il doit prendre, s'il convient de faire procéder à l'élection de l'administrateur manquant par la prochaine Assemblée générale, conformément à la déclaration du 24 août 1871, autorisée par la lettre du commissaire égyptien du 14 octobre 1871, ou de procéder à la nomination dans le sein du Conseil d'administration, en conformité de l'article 77 des statuts et à la dernière lettre du commissaire égyptien du 10 juin 1872 ; que le Conseil judiciaire est prié de délibérer à ce sujet et de donner son avis sur la conduite qu'il croirait le plus sage de tenir.

“ M. le Président-Directeur dépose sur le bureau les divers documents qu'il a rappelés dans son exposé, à savoir : le texte des statuts, les procès-verbaux des Assemblées générales des actionnaires du 24 août 1871 et du 12 mars 1872, les lettres du commissaire du Gouvernement égyptien des 14 octobre 1871 et 10 juin 1872.

“ ‘ Sur quoi,

“ ‘ Après avoir entendu le rapport de M. Sénard, son Président, et après en avoir délibéré,

“ ‘ Attendu que la communication faite au nom de S. A. le Khédive met en question le droit que le Conseil d’administration avait pris dans le texte de l’article 77 des statuts, d’attribuer à l’Assemblée générale le remplacement de ses membres, auquel il était autorisé mais non obligé à pourvoir ;

“ ‘ Attendu qu’il y a lieu d’espérer que les négociations engagées sur ce point arriveront à une solution prochaine ;

“ ‘ Mais qu’en attendant qu’elle soit obtenue il convient de surseoir à toute nomination ;

“ ‘ Le Conseil judiciaire est d’avis à l’unanimité que le Conseil d’administration doit s’abstenir, quant à présent, de pourvoir au remplacement de l’administrateur manquant, en faisant connaître l’état des choses aux actionnaires dans leur prochaine Assemblée.

“ ‘ Fait et clos les jours, mois et an que dessus.

“ ‘ *Signé : SÉNARD,* ” &c.

These resolutions in effect admitted the claims of the Khedive provisionally. Until the question

could be legally decided he was, therefore, entitled to vote.

In this situation the question stands at present. It is clear that the Viceroy prevailed simply because the Company thought it impolitic to press the point—after all rather an abstract one—against their powerful landlord. As this personage has transferred his property to England the same deference may not be shown. It is remarkable that the question seems to have been raised long before the late transfer, as a matter of principle, and the course of the Company seems to have been in accordance with French law, which will now probably be invoked to decide the question.

On the whole it must be said that Egypt has gained enormously, and that whatever be the sums invested, the returns will be of the most profitable kind. We will deal later with the probable receipts of the Canal, but it is almost impossible to set a limit to them. It is a toll-gate of the most permanent kind, through which all the shipping world must pass. There can be no competition. It has created three flourishing towns, lined its banks with houses and properties, while the vast desert between it and the Nile is being gradually brought into culti-

vation. Further, when the returns exceed five per cent. the Government is to receive fifteen per cent. of the surplus, and a share of the fifteen per cent. devoted to the founders, the rest going to the original shareholders. A good test of the enormous benefit the Canal has been will be found in the yearly sales of the domain lands, which a few years ago were worthless, and last year sold to the amount of 20,000*l.*, at the rate of 2*l.* 2*s.* 6*d.* per metre.

What is thought of these founders' shares, which give little more than a sixth of the surplus profits, may be conceived from the value set on them by both the owner and the public. In the month of February, 1876, they were quoted on the Paris Exchange at 567*l.*, while the Khedive himself was offering all he held for about a million and a half sterling.

THE FINANCES OF THE
COMPANY.

THE FIXTURES OF THE
COMPANY

CHAPTER XVI.

THE FINANCES OF THE COMPANY.

WE will first take the state of the account down to the opening of the Canal, when the first regular balance-sheet was issued, that of December 31, 1869. The original capital subscribed for this great work was eight millions sterling, or two hundred millions of francs, in 400,000 shares of 20*l.* (500 fr.) each ; 2*l.* (50 fr.) was to be paid on application, 6*l.* (150 fr.) on allotment. No further sum was to be demanded for two years, and five per cent. was to be paid to the shareholders, dating from the delivery of the scrip. The lists were to be opened on November 5th, 1858, and closed on November 30th. The Company, therefore, started with nearly 4,000,000*l.* cash in hand.

The capital sufficed for the works until the year 1867, when a fresh loan was made under the title of **BONDS**, to the amount of four millions sterling, or

100,000,000 frs., and set down at a fraction under—viz., 99,999,900 frs. of 333,333 bonds at 12*l.* (300 fr.) each, to which sum 500,000*l.* was added as a sinking fund.

Captain Clerk explains this very clearly :

“ These bonds, issued at 12*l.*, carrying interest at the rate of 1*l.*, are repayable in fifty years at 20*l.* Favourable as are these terms, only 1,143,687*l.* of this loan had been subscribed previous to June, 1868 ; and, in order to enable the Company to obtain the remainder without further delay, the French Government allowed them, ‘ in consideration,’ as was stated, ‘ of the exceptional character of the enterprise, and the interest which France takes in the execution of the Suez Canal,’ to issue bonds, reimbursable by lottery-drawings. In accordance with this resolution the Senate passed the following Bill in June :—
‘ The Maritime Canal Company of Suez is hereby authorized to issue bonds, reimbursable by lottery-drawings, on the following conditions: 1st. The operation shall in no way involve the alienation of any of the capital engaged, and the titles are to bear a yearly interest at a no less rate than 3 per cent. of the nominal capital. 2nd. The sum annually de-

voted to prizes is not to exceed 1 per cent. of the capital. 3rd. The nominal value of the titles issued is not to be less than 20*l*. The ulterior division of these is prohibited.' Thus the attraction of a lottery, in which prizes varying from 80*l*. to 6000*l*. to be drawn for quarterly, and amounting in the aggregate to 40,000*l*. a year, was added to the already favourable terms of the subscription. Hence it resulted that these bonds were taken up with extraordinary rapidity. In a few days after the opening of this lottery loan the whole of the sum required, of 2,856,313*l*. was subscribed."* We next turn to the—

* The drawings were arranged as follows :—

"OBLIGATIONS," OR PREFERENCE DEBENTURES.—These Obligations for 500 francs each, bearing interest at 5 per cent., payable 1st April and 1st October, redeemable at par in fifty-three years, are a first charge on the Canal, with power to take possession in case of default. The holders participate in four quarterly drawings of prizes, say for—

1 prize of...frs.	150,000	} frs. 250,000, equal to 10,000 <i>l</i> . sterling quarterly, or 40,000 <i>l</i> . sterling per annum, or 3-5th per cent. on capital.
2 prizes of...frs.	25,000	
2 prizes of...frs.	5,000	
and 20 prizes of...frs.	2,000	

These drawings take place on the 15th of March, 15th of June, 15th of September, and 15th of December.

*Account submitted at the Meeting held on the
30th of April, 1868.*

DR.

General expenses in the formation of the Company, such as drawings, estimates, cost of subscription, &c. &c.	£ 119,657
Properties purchased	47,030
Furnishing offices in France and Egypt	5,421
Interest accruing on shares in 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, and 1867	1,968,217
Interest on bonds, to 1st April, 1868	51,501
Expenses of management, commissions, negotia- tions, &c.	614,098
Advances made to contractors	1,477,968
Matériel, stores, &c. &c.	1,372,085
Buildings, workshops, sheds for machinery, &c., &c. .	166,328
Construction of canal, harbours, and other charges .	5,245,904
Current Account	192,991
Equipment of transit service ; rolling and floating stock	270,971
Total expenditure up to 30th April, 1868 .	11,532,171

CR.

Original capital	8,000,000
Imperial indemnity for revocations of concessions, &c. &c.*	3,360,000
Bonds subscribed previous to lottery loan, forming part of the 4,000,000 <i>l.</i> loan	1,143,687
Receipts previous to the final organization of the Company	260
Carried forward . . .	12,503,947

* This sum is to be paid in annuities ; the first was paid in 1864 ; the last is due in 1879.

	£
Brought forward . . .	12,503,947
Interest on investments of unemployed capital . . .	688,825
Receipts from the Company's properties	21,228
Various other receipts, negotiations, exchanges, &c. &c.	20,526
Net profit on the sale of "El Ouady" estate . . .	305,021
Minor credits	16
Transit receipts	55,302
Transmission of funds between France and Egypt .	259,001
Total receipts up to 30th April, 1868 .	£13,853,866

"Thus it appears that 13,853,866*l.* was the sum received by the Company since its formation, whether from the original subscription, bonds, Egyptian indemnity, or from any other source. Deducting the sum already expended, there remained 2,321,695*l.* to the credit of the Company on the 30th of April, 1868. This was made up of—1st, the sum of 962,500*l.* still due on account of indemnity by the Egyptian Government; 2ndly, 233,925*l.* on shares and bonds; 3rdly, 18,501*l.* by minor debts; and 4thly, 1,106,769*l.*, the balance remaining in the bankers' hands in France and Egypt. Finally, to this general balance must be added 2,856,313*l.* lately subscribed in the manner sanctioned by the French Government, which completed the loan of 4,000,000*l.*, making the total balance 5,178,008*l.*""*

* "Captain Clerk," *Fortnightly Review*.

This seemed flourishing enough, and a balance of over five millions sterling to its credit was an encouraging prospect. But a glance at the balance-sheet of the following year shows that the accounts up to the opening of the Canal were quite unreliable. It would be ungracious to say that they were "cooked," but they were certainly incomplete. The expenditure leaps up suddenly from the moderate total of eleven millions sterling to some eighteen millions. The interest is about three millions instead of two, and nearly every charge and every item has to be rectified in a disadvantageous manner. We may assume, however, that it was vital to the undertaking that its desperate situation should not be revealed until the Canal was at work.

The cost of the mere construction of the Canal to December, 1869 was *eleven millions six hundred and twenty-seven thousand pounds*. From this, however, is to be deducted the value of the plant, offices, lands, &c., which would leave something less than eleven millions.

It will be recollected that in their predictions the hostile engineers and writers in publications,

after prophesying that the Canal was physically impossible, occasionally protected themselves by the reserve that even if it *were* made, the task of overcoming the physical difficulties would be of so Herculean a kind, that the mere construction would cost three or four times the sum set down in the estimate. It may be stated that, roughly speaking, the Canal did not very much exceed the sum at which the work was estimated. The Commissioners estimated the cost at five millions seven hundred and sixty thousand pounds, with a reserve of 640,000*l.* for contingencies ; so that we might take the whole estimate at six millions. But there were many causes which swelled the cost, the enormous delays caused by the impediments thrown in the way, and the suspension of the works, as well as alterations in the plans. These therefore cannot be brought forward to prove the original estimate wrong.

But a most important element in the increase of cost has to be mentioned. The original estimate was based on the employment of the native forced labour, which was arbitrarily withdrawn, to be supplied by a far more costly kind, the value of which

we can measure by the compensation awarded under this head by the Emperor—viz., 1,520,000*l.*—which would bring up the estimate to about seven millions and a half sterling. Allowing a million for the increase in the value of materials, labour, and for alteration of plans, it would seem that the estimate was exceeded by about two millions and a half. In almost every vast work of the kind, representing such an enormous outlay, the excess has been in the same proportion; notably in the case of buildings such as the English Houses of Parliament, the Grand Opera at Paris, the Caledonian and other great Canals, it apparently being impossible when millions are concerned to estimate with nicety. In any case, and here is the point of the whole, this excess is very different from the predicted one, where it was confidently announced that the cost of *actual construction* would be three or four times the amount set down, if even then it could be constructed at all.

It is quite clear, however, that apart from all allowances there was an error in the calculations, and M. de Lesseps' statement that the estimate had not been exceeded by a centime is only

a rhetorical flourish; but still the excess is not more than was to be expected in a work of so speculative a character. So early as the end of 1862, when Sir John Hawkshaw made his examination, and when various "savings" had been determined on, the estimate had considerably expanded. Here was his view:—

"As regards the cost of construction, the question of estimate will have to be modified in accordance with the observations I have previously made on the points directly affecting it, and it will stand as follows:—

	Francs.	£
Total capital proposed to be raised . .	200,000,000	8,000,000
Earthwork saved	12,000,000	480,000
	<u>188,000,000</u>	<u>7,520,000</u>
Add for protective works through Bitter Lakes	7,000,000	280,000
	<u>195,000,000</u>	<u>7,800,000</u>
Add for pitching bottom and slope of Canal from Red Sea to Bitter Lakes	12,500,000	500,000
	<u>207,500,000</u>	<u>8,300,000</u>
Add further sum, probably needed for interest on the capital during con- struction	20,000,000	800,000
	<u>227,500,000</u>	<u>9,100,000</u>
Total	227,500,000	9,100,000

“ Looking, however, to the money already expended compared with the work done, and considering the contingencies connected with the possibility of meeting with rock at the Red Sea entrance, and that the deep dredging in the Canal, and at the Mediterranean entrance, may cost more than the estimated amount, and also looking to the contingencies incident to an undertaking of such magnitude as the Ship Canal, I should think it prudent for you to assume that, before it be fully finished and perfected, the expenditure, including the additional cost of the modifications I have suggested (should the whole of them be adopted), together with land purchases and cost of buildings, may reach 250,000,000 francs or ten millions sterling.

“ At this place, too, may be introduced the first account that is available, and which represents the outlay monthly up to December, 1862. The expenditure on work done, land purchased, houses and workshops built, plant and machinery provided, amounted on the 1st December, 1862, according to the statement furnished to me by M. de Lesseps, to 49,600,000 francs (1,984,000*l.*). This sum M. de Lesseps reduces, by certain deductions, to 30,500,000 francs (1,220,000*l.*), which he takes to

represent the net expenses in works and general charges. I give the account as it was handed to me.

“Approximate Statement furnished to me by M. de Lesseps of the Expenses of the Canal of Suez up to the 1st December, 1862.

“The report made to the general meeting of the Shareholders, on the 1st May, 1862, shows the general state of the account of receipts and expenditure up to the 31st of March of that year.

“The expenses may be distributed as follows, in round numbers :—

I. Expenses prior to the formation of the Company—viz., drawings, travelling expenses, purchase of plant, &c.		Francs.	£
		2,900,000	116,000
II. Land, &c.	The Ouady Estate	Francs. 2,000,000	
	Warehouses at Damietta	50,000	
	Ditto at Cairo	200,000	
		2,250,000	90,000
III. Furnishing offices in Paris and Alexandria		100,000	4,000
IV. Interest paid to Shareholders		7,350,000	294,000
V. Ordinary expenses of management in France and Egypt		3,500,000	140,000
VI. Personal expenses and salaries of engineers		1,200,000	48,000
VII. General expenses of works, plant, commissariat, and transport		22,500,000	900,000
Total expenditure to 31st March		39,800,000	1,592,000
Say		40,000,000	1,600,000

At the present rate of carrying on the works, the necessary expenses of the Company are about 1,200,000 francs (48,000*l.*) a month, which would give from 1st April to 1st December . . .

9,600,000 384,000

Total expenditure to 1st Dec. 1862 49,600,000 1,984,000

From which is to be deducted :—

I. The cost of land (which Francs.
is recoverable*) . . . 2,250,000

II. The interest from temporary investments of funds in hand, which is added to the capital of the Company . . . 6,500,000

8,750,000 350,000

Leaving the general expenses of management, purchase of plant, provisions, carriage, and works of every description, up to 1st December, 1862, in round numbers at

41,000,000 1,640,000

The plant is represented in Francs.
this sum by about . . . 8,000,000
to which may be added the cost of construction of buildings, about 2,500,000

10,500,000 420,000

Net expenses in works and general charges

30,500,000 1,220,000

“Alexandria, 5th Dec. 1862.

“*Delegated Administrator.*

(Signed)

“T. DE CHANCEL.”

* The Ouady Estate alone, let out to Arabs, has this year brought in to the Company a net revenue of 149,000 francs = 5960*l.*

These various accounts bring us to the opening of the Canal in December, 1869. Turning to the "inventaire" or balance-sheet (issued in December, 1870), we come on some supplementary items which will swell the total cost. There were outstanding contracts to December 31st, 1869, and not then discharged—an arbitration with the contractors Borel and Lavalley, which might be set down at 300,000*l.* (It is in reality 378,000*l.*, but some "services," "directions," and "dépenses administratives" are included in that sum.) We also turn to the "inventaire" of December, 1871, where we find, under the head of expenses of *finishing*, enlarging, and improving the Canal, 127,000*l.*, which may be taken to close the account, as all succeeding entries of the kind are for "enlarging or improving" the Canal.

The financial state of things, therefore, in 1869, or on December 31st of that year, was as follows:—Twelve millions sterling had been subscribed, and a sum of eighteen millions one hundred and forty-four thousand pounds, in round numbers, had been spent. The figures, in francs, were as follows, taken from the *Compte Général, au 31st Décembre, 1869*:—

DR.

Expenses of formation, construction, interest, service	415,798,829 fr. 29 ct.
	(£16,640,000)
Value of lands, materials, houses, &c.	17,009,053 29
Debts, cash in hand, &c.	20,836,712 22
	453,644,624 80
	(£18,144,000)

CR.

Original capital	200,000,000 fr.
Loan, bonds (300 fr. each)	99,999,900
To various creditors	7,064,625 59 ct.
	307,064,525 59
	(£12,280,000)
Deducting one side of the account from the other we get	453,644,624 fr. 80 ct.
	307,064,525 59
	146,580,099 21

or a difference of 5,863,000*l.* odd pounds.

But there were other sources of receipt to make an equilibrium. On the 23rd of April, as we have seen, a convention had been entered into with the Pasha, by which a sum of about 1,200,000*l.* (9000*l.* being deducted for the value of the “magasins” at Damietta and other places previously sold), and against which the “delegations” were issued. This, together with the original indemnity of July, 1864, 3,360,000*l.*, the interest from invested funds, amounting to nearly three-quarters of a million, and divers

minor receipts, all set out in the table at page 100, amounting to about 5,860,000*l.*, balanced the account.

This equilibrium was apparent rather than real. The Viceroy, as we have seen, was not in funds to discharge what he had contracted for, and hence the transaction of his handing over the coupons of his original shares. It has been said that this was a hard bargain for the Khedive, and in a recent number of the *Edinburgh Review* (January, 1876) it calculates the value of what he deposited at 1,900,000*l.* But the true test is the sum the Company was enabled to raise on them in the shape of delegations, and which cannot have exceeded 1,200,000*l.*, the sum set down under that head in the "mémoire."

Nothing is more admirable than the provident mode in which the financial obligations have been arranged by the Director, all whose plans seem to have been based on his own unbounded confidence in the magnificent future of the enterprise. All the additional capital that was raised was so arranged that by means of sinking funds, spread over long periods, the whole should be discharged. Thus, in the case of these "delegations," which were to the amount of 120,000*l.* at 20*l.* each, the regular dividends were subject to a deduction of amount sufficient to form a

sinking fund, and pay the whole off at the close of 1894; while the "thirty years" bonds were paid off by yearly drawings. But here we may quote a *résumé* of the Khedive's situation, which appeared in the *Times*, with the signature of "Memnon":—

"It is, perhaps, desirable to discuss the figures quoted by the *Edinburgh Review* from M. Dervien's pamphlet, published in 1871. The pamphlet was written with the avowed object of vindicating the wisdom of the Khedive's indebtedness. For this purpose he endeavoured to show that out of a National Debt of 28,000,000*l.*, the Khedive had spent 16,000,000*l.* on the Canal. For this purpose he enumerated the various items of expenditure, adding in a somewhat arbitrary manner the interest of the capital. It may not be uninteresting to reproduce these figures so as to arrive at a real estimate of the position of the Canal towards its immediate Sovereign. Shares in the Company, with interest, to January, 1871, 5,280,877*l.*; indemnity fixed by Emperor, with interest, 4,614,381*l.*; the construction of the Sweet-water Canal from Cairo to the Ouady, 860,000*l.*; purchase of the property of the Ouady, 400,000*l.*; construction of graving dock at Suez, 360,000*l.*; construction of ports at Suez, 935,800*l.*;

lighthouses in the Mediterranean, 50,000*l.*; redemption of certain privileges under the Convention of April 23, 1869, 1,612,025*l.* = 14,113,083*l.*

“The *Edinburgh Review* represents M. Dervien as raising this amount to 17 millions. This is clearly a clerical mistake. By adding the expenses of the fêtes of inauguration and certain diplomatic missions, M. Dervien can only bring the amount to 400 millions of francs, or 16 millions sterling. For this expenditure M. Dervien and the *Edinburgh Review* make out that Egypt Proper has gained nothing. But even by M. Dervien’s account some of the items are, or will be, remunerative. Three new cities have been created and are attracting a daily increasing population. But in a calculation of this kind it is not fair to add the interest lost by a speculator on his investment to the cost of an industrial enterprise, and it may be as well to analyse M. Dervien’s figures. Thus the price of the shares and the money taken by the Company, without interest, amounted to 3,552,840*l.*; the award of the Emperor was fixed at 3,360,000*l.*—6,912,840*l.* On these two items, therefore, 2,982,418*l.* may at once be deducted.

“But let us see what was really the Emperor’s award. The Canal of the Ouady and the property

of the Ouady are clearly remunerative purchases. The graving dock at Suez was made in 1860, totally irrespective of the Canal, and with the harbour works at that port would be more required before than after the completion of the Canal. By the Convention of April 23, 1869, many important privileges are yielded of a lucrative character, and the erection of lighthouses is merely the duty of a Government repaid by the dues levied on shipping. We may, therefore, very fairly reduce the 14,113,083*l.* by one-half, the other half representing the shares and the remunerative character of the properties and privileges purchased or recovered by the expenditure. This leaves a contribution of 7,056,583*l.* Taking from this amount half the amount charged by M. Dervien for interest—viz., 1,491,209*l.*, we place the sum that, with the widest margin, can be charged to the cost of the Canal at 5,565,374*l.* The *Edinburgh Review* infers from the figures of the last report of the Company that the Khedive appears to have paid 118 millions of francs, or 4,720,000*l.* in addition to his subscription for shares. By the above calculation that amount is reduced to the sum of 2,012,534*l.*

“But if we accept the 4,720,000*l.* of the *Edin-*

burgh Review, let us see what the Khedive has received in compensation. The 10 per cent. set aside by the statutes for the founders has been divided into 2500 shares.* Of these 1500 have been given personally to the Khedive as a founder, and these are now saleable at Paris for 560*l.* a share. This gives him 840,000*l.* At the same rate the whole 15 per cent. due to him under the statutes as a first charge on the profits is valued and could doubtless be sold for 2,100,000*l.*, making, with the founders' shares, 2,950,000*l.*

“The financial position of the Khedive, according to the *Edinburgh Review*, stands thus:—

CR.		DR.	
Shares . . .	£3,552,840	Sale of shares .	£4,000,000
Other payments	4,720,000	Founders' shares	2,950,000
	<u>£8,272,840</u>		<u>£6,950,000</u>

leaving 1,322,840*l.*, which is represented by the reversion. If my calculation be accepted, the result will be as follows:—

CR.		DR.	
Shares . . .	£3,552,840	Sale of shares .	£4,000,000
Other payments	2,012,534	Founders' shares	2,950,000
	<u>£5,565,374</u>		<u>£6,950,000</u>

* This must be a mistake, as, by the statutes, there were only 1000 founders' shares.

This gives a balance of 1,384,626*l.* to the profit of the Khedive irrespective of the reversion."

But a passage in one of the reports shows that the Company did not deal with the Khedive illiberally. By a Convention made in 1863 he had engaged to make a Canal between Cairo and the Ouady territory, which by a junction of the Company's Canal would open up a through route to Ismailia. The contractors he employed failed to execute their work, entailing a cost on the Government of more than a million and a half sterling. Compared with this sum the price received for the Fresh-water Canal between Ouady and Suez—viz., 400,000*l.* sterling, seems moderate. In Mr. Hawkshaw's report the cost is set down at 360,000*l.*, and considering the attendant advantages, the lands along the banks, and the improvement of the district, &c., 400,000*l.* was not an excessive *bénéfice*.

In the month of July, 1871, money was wanting, and at the general meeting, the President explained that the deficit on the two years from July, 1870, to July, 1872, would amount to over three quarters of a million sterling. The receipts of the year 1872 were 370,000*l.*, and the outlay 960,000*l.*,

The receipts of 1873 were indeed 993,000*l.*, while the expenses were 690,000*l.* But this improvement was not anticipated; and it was determined to raise money in a way that might have more attraction for the public. Bonds to the nominal amount of one million sterling, at 5*l.* each, were issued, payable in thirty years, and styled *bons trentenaires*. Each bond was issued at 4*l.*, but was to be repaid by means of annual drawings, at 5*l.* Eight per cent. was payable on the 4*l.* The operation, in fact, amounted to a discount of twenty per cent. This does not seem, at first, to have been very successful, as though the subscription was open from September 11th, 1871, to the end of February, only 480,000*l.* worth of the 30 years' bonds were issued. M. de Lesseps explains that the rest were reserved, owing to the revenue having improved, and the expenses diminished by some 12,000*l.*

Another "transaction" took place in the year 1874. With a capital of fourteen millions, the shareholders could hardly look for large interest, though they were sustained by the amazing progress made, and the enormous strides in the receipts. In the June of that year six coupons were thus owing,

while in a few days a seventh would become due. At the meeting the President was able to declare that such were the prospects of the Company at that moment, that the next coupon would be paid. With regard to the seven over-due coupons, those from July 1st, 1871, to July 1st, 1874, he proposed to capitalize them, the whole making a sum of 35,000,000 fr., or 1,400,000*l.* This would give about 85 francs, or 3*l.* 8*s.* 4*d.* for each share. To raise this sum he proposed to issue "*titres*" (*scrip*) corresponding to the number of shares, and fixed at the same amount—viz., 85 fr., repayable in 40 years at par. He explained that this number amounted to 176,602, precisely the number held by the Khedive. 120,000 were to be devoted to paying the seven coupons, the balance of 36,000*l.* to be employed as a sinking fund, and producing a yearly interest of nearly 10,000*l.* Finally, in March, 1875, 2500 founders' shares were delivered, which was the last transaction entered into by the Company.

The whole, therefore, stands thus:—There is the original capital, or "open shares," of 8,000,000*l.*, and 5,840,000*l.** or debentures or bond obligations.

* Not including the non-issued 320,000*l.* of the 30 years' bonds.

But so admirably arranged has been the issue of this last denomination of capital that it will be all extinguished within a certain number of years, that is, by the year 1920 ; and a sum of about 460,000*l.* will thus be free for the original shareholders.

As an abstract of the financial situation of the undertaking, we may now quote an article from the *Economist* in an abridged shape, which was written nearly a year ago, before the recent purchase of shares by England was effected :—

“ Apart from its history the property is a peculiar one, the Company having an absolute monopoly of a certain route of water traffic which must retain for an indefinite time overwhelming advantages for certain kinds of traffic over any other route, whether by land or water, or partly by land and partly by water, such as by the Euphrates valley, which can be devised to compete with it. There are few monopolies so absolute, and as the working expenses, as we shall see, are found by experiment to be small, the conditions of secure profit appear as favourable as possible. If the capital is not excessive, and the traffic is of a kind likely to increase, the shares of the Suez Canal must obviously be ‘worth attention.’

“The ‘open’ capital is thus 8,000,000*l.*, and the preferential capital is, or rather was, a little more than one-half that amount, involving an annual preferential charge of about 451,000*l.*, terminable in from thirty to fifty years. The Company has in one respect been most fortunate. The cost of the Canal was about 6,000,000*l.* more than the above sum, as the capital account shows, but the Company obtained the amount in various ways during the construction, principally from indemnities which the Egyptian Government had to pay on surrendering portions of its original concessions. While the Company thus holds the Canal at much less than cost price, it has also acquired a domain of considerable extent along the course of the Canal as well as in Ports Said and Suez. For the above 12,800,000*l.* it thus possesses a property which cost about 19,000,000*l.*, and an asset of territory of considerable additional value. There is one point in connexion with these additional receipts during construction which it may be useful to clear up. The sum of 1,200,000*l.* was raised by delegations upon the shares of the Khedive of Egypt, but it is the Khedive who is liable for the amount, and the transaction simply was a mortgage of his shares to raise money to pay the Company

what he owed them. The other shareholders appear not to be affected by the arrangement, which may thus be left out of account.

“Such being the capital position of the Company, what was the expenditure and income in the year 1873? The receipts and working expenditure, according to our English phraseology in such matters, were in that year as follows:—

RECEIPTS.	£
Service of transit	928,000
Domain	39,000
Warehouse charges, &c.	5,000
Water supply	3,000
Interest on funds in hand and exchange	18,000
Total	991,000

EXPENDITURE.	£
Administration charges	37,000
Domain	25,000
Service of transit, towing, pilotage, &c.	61,000
Maintenance of Canal, magazines, &c.	93,000
Water supply	9,000
Total	225,000
Net revenue	766,000

The cost of working is thus only 23 per cent., and will probably, so far as can be judged, diminish in proportion as the traffic increases and the domain becomes more valuable. The percentage is much

lower than what was calculated on when the Canal was opened, the maintenance of the works having really proved less costly than was expected. Whether the sum is really sufficient or not, we can of course give no opinion ; but the present managers in the last report at least profess to be quite alive to the necessity of renewals, and are already laying aside funds in advance for that purpose.

“ The above sum of 766,000*l.* having been the net income of 1873, we find that the preferential charges upon it were as follows :—

	£
Interest of 4,000,000 <i>l.</i> obligations	325,000
Sinking fund of ditto	77,000
Interest of trentenary bonds	38,000
Sinking fund of ditto	13,000
Annual charge of obligations, stamp duties, &c.	3,000
Control of Egyptian Government	1,000
Annual charge of shares, stamps, &c.	9,000
Commissions, &c.	3,000
Total	<u>£469,000</u>

Deducting this sum from the above 766,000*l.* of net earnings, the available amount for the shareholders in 1873 was 297,000*l.*, which is equal to a dividend of $3\frac{3}{4}$ per cent. on the shares. Actually the amount seems to have been used in paying the overdue half-yearly coupon of July, 1870, representing $2\frac{1}{2}$ per

cent. interest ; and a balance of 182,000*l.*, including upwards of 80,000*l.* brought forward from previous years, was carried forward to 1874.

“ The position of the Company thus is that the shares were earning a dividend of $3\frac{3}{4}$ per cent. in 1873, and the question remaining is—What rate of growth can fairly be calculated on ? It is known already that the traffic receipts of 1874 considerably exceeded those of 1873, the amount being 1,030,000*l.*, or an increase of 39,000*l.*, which would bring the dividend above 4 per cent. if the working expenses were not increased. Actually we may assume, the 5 per cent. coupons will now be paid, including the annual charge for the overdue coupons, the difference being obtained from the large balance carried over from 1873 ; but the last annual return can hardly be taken perhaps at more than $4\frac{1}{4}$ per cent.

“ With regard to the prospects of increase, the progressive development of traffic during the last three years, when the undertaking may be considered to have come fully into notice, has been as follows :—

	Vessels.	Tonnage.
Traffic in 1872	1082 ...	1,439,000
— 1873	1173 ...	2,085,000
— 1874	1264 ...	2,424,000

which is an increase in 1873 over 1872 of 45 per

cent., and in 1874 over 1873 of about 15 per cent., the diminished rate of increase in the latter case, however, being perhaps partly due to the new mode of measurement enforced on the Company, and of which it incessantly complains. But in any case it would almost certainly be unsafe for an intending investor to reckon on so large an annual increase as even 15 per cent. Such a growth of traffic on almost any route after the initial stage of development is passed would be without precedent. We should be inclined to suggest, however, that a minimum increase of 5 per cent. per annum may perhaps be counted on. This is the rate of increase of traffic on railways in the United Kingdom, the rate of increase in our foreign shipping, and less than the rate of increase in our steam shipping, which is the class of shipping by which the Suez Canal is almost exclusively used. Looking also to the undeveloped state of such countries as China and Japan, with which the Canal connects Western Europe, we see no reason to doubt that perhaps an exceptional increase of business with those regions as well as with India will take place, so that the minimum of an annual 5 per cent. increase for a long while to come may really be possible. Even a less increase would be equivalent

to an increase of about $\frac{1}{2}$ per cent. annually in the dividend of the Company, the rate of progress in a year or two becoming even greater than that, as the amounts on which the traffic increase is calculated become larger. It is necessarily a speculation, however, what the rate of increase will be, and investors must form their own opinion on that point. The useful formula to bear in mind, is that it requires 80,000*l.* net to make 1 per cent. on the shares, and that 200,000 tons additional tonnage annually will yield the 80,000*l.* or, allowing for 20 per cent. working expenses, 250,000 tons. *Per contra*, the tariff, as now fixed, is to be lowered from time to time as the annual tonnage rises to certain fixed amounts, and this is an obvious deduction from the benefit to be otherwise obtained from a growing traffic. In time also, the expense of widening the Canal to meet the growing traffic must be faced.

“There are also several other things ‘to the good,’ which ought not to be lost sight of. The first is the possible increased value of the Company’s rents as the business increases, and the neighbourhood of the ports and stations becomes more settled, an asset, we believe, which will ultimately be of considerable value, though it is, of course, one of the most diffi-

cult to estimate. Second, the preferential charges to the extent of about 450,000*l.* a year are all terminable in from 30 to 50 years. This will be another 5 per cent. on the shares when it falls in, and in time will be a reversion of considerable value. Third, the Company has a claim against the Turkish and Egyptian Governments in respect of the lower tariff forced on it, compared with what it claims right to under the original firman. We should not recommend any one to place much value on the successful enforcement of this claim, but the past diplomatic successes of M. de Lesseps make it impossible to pass it over. If the Company succeeds at all, it will both get something by way of arrears, and come into possession of a higher tariff which may immediately add to its income.

“ Altogether the facts appear to us fully to bear out the statement with which we began as to the remarkable nature of this property which has now been introduced to the London Stock Exchange. It seems quite probable that it may become another illustration of the great value of an absolute monopoly of an article of increasing use, of which the shares of the New River Company, which supplies North London with water, and which has had

all the benefit of the vast growth of London for nearly 200 years, have, perhaps, been the best illustration hitherto known. The position of the Suez Canal Company appears to us a commanding one of the same species, with the important exception, however, that it is exposed to political hazards and to interruptions from war, which are, of course, a drawback to every other advantage.”*

As to the value of the Canal as a commercial undertaking an intelligent writer has given some careful calculations.

“The gross receipts during the year 1874 amounted to 11,725*l.* per mile, which is 3.1 times the average receipt per mile of railways in the United Kingdom. But while the English income thus bears a slightly inferior ratio to the capital laid out in order to obtain it, the proportion of working costs is very much lower in the Canal than on any locomotive line. The English income of 3459*l.* per mile was earned by the expenditure of 1924*l.* per mile, or 56 per cent. of the gross return. The Egyptian income of 11,725*l.* per mile was earned by the expenditure of 2750*l.* per mile, or 23.5 per cent. of the gross return.

* *Economist*, March 6th, 1875.

This highly advantageous condition is the result of the derival of the main bulk of the revenue of the Canal Company from tolls, and not from the labour of the Company as carriers, which latter forms the chief source of the income of a railway company. The cost of maintenance of the Canal per mile is somewhat more than three-fourths of the total outlay per mile on the railways of the United Kingdom, of which outlay maintenance only forms 20 per cent. The annual cost is 1396*l.* maintenance for the Canal, and 1924*l.* for the whole expenditure of the railways. The expense incurred for transit and navigation service on the Canal is 669*l.* per mile; the cost of the locomotive department on our railways being 549*l.* per mile, for which all the work of traction has to be done. It follows that while an increase of 5 per cent. in the revenue of the English railways, which has been taken as a normal annual increment of business, only produces a net benefit of 2·2 per cent. (and that on the condition, which has not been fulfilled for the last five years, that the capital cost per mile shall not be augmented), an increase of 5 per cent. in the revenue of the Suez Canal (which is less than the increase of each of the last two years) produces a net benefit of 3·725 per cent., the whole of which is attributed to the original shareholders

until they receive 5 per cent. on the swollen or imaginary capital of 9,360,000*l.*, and 70 per cent. of the surplus profits after that dividend has been paid. It is thus evident that the rapidly increasing traffic of the Suez Canal will very shortly place the original stock of that undertaking in a position of unassailable value. The net revenue of the year 1874 is returned at 807,671*l.* From this the sum of 462,340*l.* has first to be taken in order to pay interest on loan, sinking fund, and certain charges of the Egyptian Government. The remaining sum of 345,331*l.* is equal to a dividend of 6·6 per cent. on the actual cash capital of the original shareholders; if the interest actually returned to them, and the nominal 'consolidated interest,' is deducted from the nominal or paper capital of 9,360,000*l.*, it is equal to a dividend of 3·68 per cent. on that swollen and fictitious capital. An increase of less than a seventh of the actual gross revenue—that is to say, an additional gross income of 160,000*l.* per annum—will yield 5 per cent. on the entire nominal share capital. The gross income of 1874 exceeded by 64,000*l.* that of 1873; so that it is not unreasonable to anticipate that by the close of 1877 the income of the Suez Canal will be adequate to the discharge of all obligations of the Company, and to the payment of 5 per cent.

dividend to the ordinary stockholders. The question as to which we are as yet to some extent in the dark—as to the further cost which ought to be incurred in the revetment of the sides of the Canal, and the improvement of a certain portion of its course—ceases to have any very formidable magnitude in the face of such a plain statement as the above. We may consider that M. de Lesseps has been compelled to leave his great work incomplete in these particulars, in consequence of the absorption of so much of the nominal capital of the undertaking by the subscribers themselves, under the name of interest. It has been a gigantic case of robbing Peter to pay Paul, and Peter is still partially unclad in consequence. The want of due protection to the banks compels the reduction of the speed of the vessels using the Canal to four miles per hour. If the works were so constructed as to allow of twice or two and a half times that speed, which is quite within the competence of the machinery of the day, the accommodation afforded by the Canal would be correspondingly increased. It is plain that this will be an amply remunerative employment of capital. To save from nine to eleven hours in the transit from sea to sea is an object of no small importance to our shipping.

“ What exact share in the control and in the net profits of this magnificent work we have secured by the payment of four millions sterling for $\frac{177}{400}$ ths of the original capital stock, I leave to be explained by the more competent authority of her Majesty's Ministers. I am only desirous now to place before the public of this country such a definite analysis of the condition of the Canal from an engineering point of view, as they are accustomed annually to receive from the Board of Trade with reference to the railways of the United Kingdom. It is clear that it is in this aspect undervaluing the Canal property to speak of it as worth double the average value of our railway property. For three times the original cost we receive three times the gross earnings of the latter, mile by mile; but more than six times their net revenue is secured. The unique position of the cut frees it from any possible competition. The present moderate charge, which is only a mere fraction more than a penny per ton per mile, gives a revenue equal to four times the cost of maintaining the navigation. The profit of three farthings per ton per mile is enough at this moment to pay 8 per cent. on the whole actually expended share and loan capital of 10,000,000*l.*; or 5·7 per cent. over the entire nominal capital of 14,160,000*l.* The gross income is increas-

ing at the rate of $6\frac{1}{2}$ per cent. per annum, and the net income at a slightly higher ratio. On the English railways, while the gross income of 1874 is 1,224,000*l.* more than that of 1873, the net income is actually 375,000*l.* less; the rate of working cost having risen to 56 per cent. in 1874, from 54 per cent. in 1873, and from 49 per cent. in 1858. Against this has to be set the Suez working rate of 23·5 per cent. in 1874, and 23·7 per cent. in 1873. Regard the matter as we may, it is an engineering enterprise which is an honour to the nineteenth century. It will be a matter of great satisfaction to me to be able to lay this straightforward account of the subject before the public in a form to which they are accustomed.”*

Finally, we come to the question—What has been the work of the Canal? The receipts for tolls have been as follows:—

1870		£206,373
1871		359,747
1872		656,305
1873		915,893
1874		994,375
1875	. . (estimated at)	1,190,000

The report for 1875 will not be issued until next

* “Brindisi” in *Pall Mall Gazette*, Jan. 27, 1876.

July, but it was known that the increase in nine months of the year was 152,335*l.* over that of 1874, which makes a fair basis for the estimate we have set down. According to these returns it will be seen that the receipts were trebled in two years from the opening, and in the next four years this amount had almost been doubled, while the receipts at the end of last year were nearly six times those of the first. This progress—or anything approaching it—will not, of course, be maintained; but, on the other hand, the steady increase at 5 per cent., at which some competent authorities have declared it will settle down, seems far too low. There are hardly any data, indeed, to go upon, the development being literally incalculable, for we know not now to what extent the trade with the East may expand under this new encouragement, and 15 or 20 per cent. steady increase does not seem so improbable.*

Such is an imperfect view of the financial side of this grand work. We shall next place before the reader the balance sheets, which speak for themselves.

* It has just been announced that the tonnage for the year 1875 reached to 2,940,708 tons.

Inventaire Général (Capital Account) de l'Actif et du Passif au 31 Décembre 1869,

(For account of the preceding year, see p. 64.)

Dr.

COMPTE GÉNÉRAL

DÉPENSES REPRÉSENTANT LE PRIX DE REVIENT AU 31 DÉCEMBRE 1869, DU CANAL MARITIME.

DEPENSES GÉNÉRALES de constitution, de souscription et de confection des actions. (Expenses of formation) ...	2,991,435 27	
Frais de l'emprunt de 100 millions, réalisé en deux émissions, publicité, impression, confection de titres. (Expenses of loan) ...	1,438,012 90	
Intérêts acquis aux actions pour les onze années : 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869 (Eleven years' interest)	66,846,868 30 (£2,672,000)*	
Intérêts acquis aux obligations pour les deux années : 1868-1869 ... (Interest on obligations)	12,018,187 50 (£480,000)	
Amortissement des obligations pour les deux années : 1868-1869. (Sinking Fund) ...	2,610,000 00	
DEPENSES DES SERVICES : de Santé, 1868-1869 ...	973,210 24	
du Télégraphe, 1868-1869 ...	197,417 27	
du Domaine, 1869 ...	65,056 94	
du Transit ...	12,102,527 15	415,798,829 29 (£16,632,000)
DEPENSES DE LA CONSTRUCTION proprement dite, y compris l'amortissement de la valeur du mobilier, du matériel et de l'outillage ... (Construction)	291,330,460 61 (£11,652,000)	
Frais généraux d'administration pour les onze années, de 1859 à 1869 : Paris ... 9,480,084 42 Alexandrie ... 4,702,387 46 (Eleven years, at about £50,000 a year.)	14,182,471 88 (£560,000)	
Frais de négociation de valeurs, et spécialement de bons du Trésor égyptien, regus en exécution de la sentence impériale. (La Compagnie a été couverte de cette dépense dans le compte des Délégations) ...	8,980,593 28	
Commission et frais divers payés aux correspondants de la Compagnie	794,759 22	
Droits de timbre et de transmission payés sur les actions de la Compagnie ...	1,267,828 73	
ACTIF SUIVANT ESTIMATION. (LANDS, HOUSES, &c.)		
HOTEL DE LA COMPAGNIE, A PARIS :—Achat et appropriation ...	920,310 42	
MOBILIER ET MATERIEL DES BUREAUX : Paris ... 97,405 60 Alexandrie ... 9,331 50	106,737 10	
DOMAINE : Terrains, valeur ... Mémoire. Bâtiments ... 4,780,281 59 Mobilier et articles divers ... 1,530 50	4,781,812 09	
TRANSIT : Mobilier ... 37,985 61 Matériel roulant et flottant ... 158,401 58 Approvisionnements ... 14,027 51 Traction ... 13,958 10	224,282 80	
ENTRETIEN : Matières, Combustibles ... 5,091,410 27 Matériel divers ... 420,845 81	5,512,256 08	17,009,053 29
TELEGRAPHE : Matériel et outillage ... 40,380 80 Mobilier et articles divers ... 4,374 00 Fonds de roulement, moins les retenues pour rapatriement ... 2,600 00	47,354 80	
SERVICE DES EAUX : Matériel ... 2,173,440 00 Bâtiments ... 219,800 00 Approvisionnements ... 5,930 42 Mobilier ... 535 00		
	2,399,705 42	
Frais de premier établissement ... 3,016,594 58	5,416 300 00	
ACTIF COURANT.		432,807,882 58
DEBITEURS DIVERS : Versements en retard sur obligations 50,475 00 — — sur délégations 2,331,550 00		
Débiteurs en compte courant ... 63,641 14	2,445,666 14	
FINANCES ET PORTEFEUILLE, AGENCE SUPÉRIEURE D'ALEXANDRIE ...	6,435,639 64	
Paris-caisse ... 125,566 60		20,836,742 22
Banques et caisses de dépôt ... 10,964,903 80		
Valeurs et cautionnements ... 320,196 43		
Effets et valeurs diverses ... 544,769 61	11,955,436 44	
ACTIF ...		453,644,624 80 (£18,146,000)

* A few of the more important entries are given roughly, in English money.

présenté à l'approbation de l'Assemblée Générale des Actionnaires du 31 juillet 1872.

AU 31 DÉCEMBRE 1869.*

Cr.

Capital social (400,000 actions à 500 francs)	...	...	...	...	...	200,000,000 00
						(£8,000,000)
Emprunt (333,333 obligations à 300 francs)	...	...	...	...	...	99,999,000 00
					say	(£4,000,000)
Créanciers divers	...	...	...	...	...	7,064,625 59
						(£282,130)

RÉSUMÉ.

Montant de l'actif	...	...	453,644,621 80
— du passif	...	...	307,064,525 59
Différence en faveur de l'actif			
détaillée d'autre part	...	146,580,099 21†	
		(£5,860,000.)	

PASSIF	...	...	...	...	...	307,064,525 59
						(£12,282,000 odd)

* Later the Auditors of the Company presented a fuller and more detailed account for the year. (See Table F.)

† For the items comprised in this amount see Table of Profits, (B), on next page.

Vu et signé ne varietur : Les Membres du Comité de vérification,
SPÉMENT, MALOT, PROSPER TOURNEUX, RABOURDIN, L. DE CALADON.

Table of Profits referred to in Account (A).

PRODUITS RÉALISÉS AU 31 DÉCEMBRE 1869, PAR LA
COMPAGNIE, PENDANT L'EXÉCUTION DU CANAL.

(Profits during the construction of the Canal.)

Savoir:						
Recettes antérieures à la constitution de la Compagnie	...	...	...	...	...	6,504 88
Indemnité payée par le vice-roi, conformément à la sentence impériale du 6 juillet 1864...	...	...	...	...	...	84,000,000 00 (£3,360,000)
Prix des cessions faites au Gouvernement égyptien par la convention du 23 avril 1869, et règlement de compte (Délé- gations)	...	...	...	...	...	30,000,000 00
A déduire:						
La valeur des magasins de Damiette, achetés antérieurement par contrat	...	...	...	...	...	255,469 20
(Price of lands restored to Viceroy)						29,744,530 80 (£1,180,000)
Produits de placements temporaires de fonds	...	...	...	...	...	19,013,920 22
Produits nets de ventes du domaine,	Savoir:					
Cession de l'Ouady	...	...	...	...	...	10,000,000
A déduire:						
Le principal de l'Acquisition, le Mobi- lier, le Matériel et les Constructions du fait de la Compagnie, et l'Indem- nité de licenciement du personnel	...	...	...	...	...	2,406,648 01
NET	...	...	...	...	...	7,593,351 99
TERRAINS DIVERS	...	...	...	...	...	24,093 51
Recettes des services:						
de la Construction	...	...	...	...	...	401 70
du Transit et des Transports	...	...	...	...	...	4,458,465 81
de Santé	...	...	...	...	...	120,761 21
de la Poste et du Télégraphe	...	...	...	...	...	108,022 22
du Domaine...	...	...	...	...	...	873,906 69
Recettes diverses, négociation de traites, change de monnaies	...	...	...	...	...	636,140 18
say						146,580,099 21 (£5,860,000)

TABLE (C).

Inventaire ou Compte Général au 31 décembre 1870 présenté à l'Assemblée Générale des Actionnaires du 31 juillet 1872.

Dr. INVENTAIRE OU COMPTE GÉNÉRAL AU 31 DÉCEMBRE 1870. Cr.

Dépenses de Construction et Premier Établissement au 31 décembre 1869, suivant compte annexé au Rapport du 30 mars 1870	432,807,882 58	415,798,829 29	Capital social, 400,000 Actions de 500 fr.	200,000,000 00
Moins Actif suivant estimation au 31 décembre 1869 (immeubles, matériel, etc.)	17,009,053 29		Emprunt 1867-1868, 333,333 Obligations de 300 fr.	99,989,900 00
Dépenses engagées au 31 décembre 1869 par l'ancienne Direction générale des Travaux ou les Services et liquidées en 1870.—Licencement, arbitrage Borel, Lavalley et Cie.—Dépenses administratives		4,231,880 70	Créanciers divers...	8,455,349 87
Dépenses faites, en 1870, pour achèvement, augmentation ou amélioration du Canal		5,506,170 78		
Total des dépenses de Premier Établissement au 31 décembre 1870		425,536,880 77	Passif réel	308,455,249 87
Insuffisance de l'Exercice 1870, reportée à la charge du compte Premier Établissement		9,589,014 97		
RÉSUMÉ.				
ACTIF SUIVANT ESTIMATION.			Montant de l'Actif ...	455,286,103 43
Hôtel de la Compagnie à Paris	920,310 42	435,125,895 74	do. du Passif ...	308,455,249 87
Mobilier et matériel des bureaux à Paris et à Alexandrie	107,221 10		Différence en faveur de l'Actif, non compris la valeur des terrains portés pour mémoire à l'inventaire du Domaine	146,830,853 56
Entretien	5,512,256 08			
Transit	415,824 92			
Domaine	4,812,534 94			
Service des eaux	5,461,881 16			
Télégraphe	46,775 51			
ACTIF DISPONIBLE OU RÉALISABLE.		17,276,804 13		
Caisse	39,175 26			
Banque et Sociétés de Crédit	164,650 48			
Portefeuille, Effets à recevoir, Reports, Valeurs en cautionnement	106,533 93			
Obligataires en retard	10,825 00			
Délégataires en retard	733,550 00			
Caisse de Marseille	110,168 55			
Caisse d'Alexandrie	1,688,500 34			
		2,883,403 56		
		455,286,103 43		

* See (D) Table for the Items.

Vu et signé ne varietur :
Les Membres du Comité de vérification,
SPÉMENT, PROSPER TOURNEUX, L. DE CALADON, MALOT, RABOURDIN.

TABLE (E). PROFIT AND LOSS ACCOUNT.

COMPTES DE L'EXERCICE 1870, présentés à l'Assemblée Générale des Actionnaires, du 31 juillet 1872.

COMPTES DE L'EXERCICE 1870. (See also for Assorted Account, Table G.)

DÉPENSES.		RECETTES.	
CHARGES SOCIALES.		Produits de placements temporaires de fonds	201,868 83
Intérêts de l'Emprunt de 100 millions	8,268,950 00	Recettes de Banque	14,748 26
Amortissement de l'Emprunt de 100 millions	1,790,000 00		
Charges annuelles des Obligations, Timbre, Transmission	271,320 39		
Charges annuelles des Actions, Timbre, Transmission	181,266 72		
Commissaire du Gouvernement égyptien	30,000 00		
	(Charge for Interest)		
	10,541,537 11		
	(£422,000)		
DÉPENSES ADMINISTRATIVES.		SERVICES D'ÉGYPTE.	
Administration centrale	719,721 42	Transit	5,718,756 80
Agence supérieure	349,990 91	Domaine	286,191 30
	(Charge for Administration)	Service des eaux	18,031 70
	1,069,712 33	Télégraphe	138 00
	(£48,000)	Entretien	360,855 41
		(Profits from Telegraph, Sale of Water and Land, as well as Canal Tolls)	6,383,973 21
			(£352,000)
SERVICES D'ÉGYPTE.			
Entretien	2,759,506 70	Recettes effectives	6,600,590 30
Transit	1,222,241 79	Recettes d'ordre	2,673,738 57
Domaine	417,862 12		
Service des eaux	222,165 53		
Télégraphe	173,088 23		
Service de santé	110,439 57		
	(Egyptian "Service")	Total des recettes	9,274,328 87 (£370,000)
	4,905,303 31		
	(£200,000)		
		Insuffisance de l'Exercice 1870, reportée au compte de Premier Établissement	9,589,014 97 (£380,000)
Dépenses effectives	16,516,552 75		
Dépenses d'ordre	2,346,791 09		
	18,863,343 84 (£752,000)		
Total des dépenses	18,863,343 84 (£752,000)	Somme égale	18,863,343 84 (£752,000)

TABLE (F).

COMPTES DE L'EXERCICE 1869, soumis à l'examen de MM. les Commissaires-Verificateurs, nommés par l'Assemblée générale des Actionnaires du 24 août 1871, pour être présentés à l'approbation de l'Assemblée générale des Actionnaires du 31 juillet 1872.

Comptes Débiteurs.

Comptes Créditeurs.

DESIGNATION DES COMPTES.					SOMMES.
Intérêts acquis aux Actions	...	...	...	...	7,792,475 00
Intérêts acquis aux Obligations	...	...	...	...	9,311,606 25
Amortissement des Obligations	...	...	...	...	750,000 00
Mobilier	...	...	...	...	155 00
Service du Transit	...	...	...	...	2,817,141 28
Service de Santé...	...	...	...	...	883,795 73
Service du Télégraphe	...	...	...	...	118,563 02
Dépenses administratives	...	...	...	...	2,105,185 01
Négociation de valeurs	...	...	...	...	7,256,890 69
Emprunt de 100 millions	...	...	...	...	252,821 36
Dépenses générales de la Construction	...	...	...	...	33,732,658 27
Service du Domaine	...	...	...	...	89,078 19
Frais de l'Exposition de 1867	...	...	...	...	194,401 64
Frais d'inauguration	...	...	...	...	36,026 83
A déduire sur compte :					65,340,798 27
Emission de délégations	...	...	...	...	218,098 31
(Payments)					65,122,669 96 (£2,610,000)

DESIGNATION DES COMPTES.					SOMMES.
Principal de la Convention avec le Gouvernement égyptien, en date du 23 août 1869					29,744,530 80
RECETTES ANTÉRIEURES A L'EXERCICE 1869.					
Ventes	...	...	...	...	5 50
Recettes diverses	...	...	...	...	5,816 20
Service de Santé	...	...	...	...	11,172 00
RECETTES DE L'EXERCICE 1869.					16,993 70
Produits de placements de fonds disponibles					718,609 76
RECETTES DE BANQUE ET EXCÉDANTS SUR DÉLÉGATIONS.					
Recettes de banque	...	...	...	...	77,492 64
Excédant sur émission...	...	...	...	...	774,527 47
Ventes diverses	...	...	...	...	852,020 11
Recettes du service du Domaine	...	...	...	...	328 25
— de Santé	...	...	...	...	412,644 40
— du Télégraphe	...	...	...	...	41,872 00
— du Transit et des Transports	...	...	...	...	61,558 55
A DÉDUIRE:					1,037,074 86
Sur excédant de frais d'émission de Délégations					3,124,107 93
					32,885,632 43
					218,098 31
					32,677,534 12 (£1,324,000)
(Receipts)					

Vu et signé ne varietur :

Les Membres du Compté de vérification,

SPÉMENT, PROSPER TOURNEUX, L. DE CALADON, MALOT, RABOURDIN.
Les memores au Compte de verification.

TABLE (G).

COMPTES DE L'EXERCICE 1870, soumis à l'examen de MM. les Commissaires-Vérificateurs nommés par l'Assemblée générale des Actionnaires du 24 août 1871, pour être présentés à l'approbation de l'Assemblée générale des Actionnaires du 31 juillet 1872.

DEPENSES DE L'EXERCICE.	Dépenses effectives.	Dépenses d'ordre.	Réduction des dépenses pour excédant d'actif au 31 décembre 1870.	Total à vérifier.	RECETTES DE L'EXERCICE.	Recettes effectives.	Recettes d'ordre.	Total à vérifier.
CHARGES SOCIALES.								
Emprunt. Intérêts sur Obligations...	8,268,950 00	...	...	10,541,537 11	RECETTES ADMINISTRATIVES.	201,868 83 14,748 26	...	201,868 83 14,748 26
Emprunt. Amortissement des Obligations	1,790,000 00	...	...					
Charges annuelles des Obligations	271,320 39	...	...					
Charges annuelles des Actions	181,266 72	...	...					
Commissaire du Gouvernement égyptien	30,000 00	...	...					
DÉPENSES ADMINISTRATIVES.								
Council d'administration	153,750 00	...	...	1,102,844 02	RECETTES DES SERVICES D'EGYPTE.	216,617 09	...	216,617 09
Personnel du domicile administratif	247,802 06	...	...					
Frais divers du domicile administratif	104,615 91	...	...					
Dépenses d'administration générale	64,925 35	...	...					
Publicité	74,240 10	...	...					
Personnel de l'agence supérieure	160,330 20	...	...					
Frais divers	189,660 71	33,131 69	...					
Intérêts sur comptes courants	18,336 00	...	...					
Commissions et frais divers	56,051 10	...	...					
SERVICES D'EGYPTE.								
Service du Transit	11,611,249 44	33,131 69	...	11,644,381 13	/			
— du Domaine	1,222,241 79	1,741,835 02	29,476 74	2,934,600 07				
— des Eaux	417,862 12	143,307 81	218,522 85	342,617 08				
— du Télégraphe	222,165 53	54,792 59	45,581 16	231,376 96				
— de Santé	173,088 23	43,699 60	2,020 71	214,767 12				
— de l'Entretien	110,439 57	...	...	110,439 57				
	2,759,506 07	84	...	3,385,131 91				
Total des Dépenses à la charge de l'exercice 1870	16,516,552 75	2,642,392 55	295,601 46	18,863,343 84				
Dépenses à la charge du compte de l'établissement pour achèvement, augmentation et amélioration du Canal	5,464,972 93	41,197 85	...	5,506,170 78				
	21,981,525 68	2,683,590 40	295,601 46	24,369,514 62				
		24,665,116 08		(£960,000)	Total des receipts en faveur de l'exercice 1870	6,600,590 30	2,673,738 57	9,274,328 87 (£366,000)

* This charge seems to have been omitted in the 1st Balance Sheet.

Vu et signé ne varietur :

Les Membres du Comité de vérification,

SPÉMENT, PROSPER TOURNEUX, L. DE CALADON, MALOT, RABOURDIN.

RECEIPTS AND EXPENSES 1871.		COMPTE DE
DÉPENSES.		
CHARGES SOCIALES.		
Intérêts des Obligations	8,226,693 75	
Amortissement des Obligations	1,833,000 00	
Intérêts à 5 0/0 ajoutés du 25 octobre au 31 décembre aux Coupons et aux Amortissements et retard	77,302 15	
Charges annuelles des Obligations, droits de Timbre, de Transmission, etc.	265,158 74	
Contrôle du Gouvernement égyptien	30,000 00	
Charges annuelles des Actions, droits de Timbre, de Transmission, etc.	130,000 00	
		10,562,154 64 (£422,000)
DÉPENSES ADMINISTRATIVES.		
France { Administration générale.—Con- seil d'Administration.—Per- sonnel	514,028 42	
Frais divers.—Publicité	156,204 42	
Commissions et frais divers payés aux Correspondants	45,522 50	
Égypte { Personnel et Frais divers de l'Agence supérieure	224,054 27	
Service de Santé	21,843 61	
		961,653 22
SERVICE DU DOMAINE.		
Personnel et frais divers	162,933 27	
Surveillance des Terrains.—Piquetage.— Essais de culture.—Plantations	10,428 07	
Entretien des Bâtiments et des Planta- tions	52,145 23	
Appropriation de Terrains.—Création de Voies	336,327 77	
		561,834 34
SERVICE DU TRANSIT, DE LA NAVIGATION ET DU TÉLÉGRAPHE.		
Personnel classé et Personnel auxiliaire...	611,454 17	
Frais divers	162,592 64	
Dépenses d'Exploitation.—Personnel de traction.—Salaires d'équipages.—Hou- ille.—Matières et outillage.—Entretien et réparation du matériel.—Vigies.— Sémaphores	944,823 37	
		1,718,870 80
SERVICE DE L'ENTRETIEN, DU MATÉRIEL ET DES MAGASINS.		
Personnel et Frais divers	893,222 01	
Exploitation du Magasin général et des Dépôts de matériel	352,494 26	
Entretien du Canal et de ses accessoires	547,270 50	
		1,792,986 77
SERVICE DES EAUX.		
Personnel et Déplacements	114,412 85	
Charbon, Matières, Entretien et grosses réparations	63,017 52	
Travaux de Canalisation et d'Installation de nouvelles conduites	111,791 47	
		289,221 84
Total des Dépenses spéciales à l'Exercice 1871 ...		15,886,720 99 (£634,000)
(Total working Expenses 1871)		
Dépense sur Exercice clos		31,858 39
Total Général		15,918,579 38 (£636,000)
(Total outlay)		

L'EXERCICE 1871.

RECETTES.		
SERVICE FINANCIER.		
Produits des placements temporaires de fonds disponibles	14,276 40	
Recettes de banque.— Change de monnaies.—		
Recettes diverses	71,264 28	85,540 68
SERVICE DU DOMAINE. (LANDS.)		
Locations de terrains	69,825 28	
Ventes de terrains	838,757 07	
Location de bâtiments	160,978 24	1,069,560 59 (£40,000)
SERVICE DU TRANSIT, DE LA NAVIGATION ET DU TÉLÉGRAPHE. (CANAL RECEIPTS.)		
Recettes du Transit { Navires 7,599,463 03 Passagers 461,660 00 Barques 157,116 08	8,218,239 11	
Pilotage	627,007 35	
Remorquage	248,901 72	
Stationnement	37,949 47	
Trafic, ou Transport { Voyageurs 51,453 48 par le matériel de { Messageries 3,984 36 la Compagnie ... { Marchandises 6,309 14	61,746 98	
Location du matériel flottant et recettes diverses	56,612 98	9,250,457 61 (£370,000)
SERVICE DE L'ENTRETIEN, DU MATÉRIEL ET DES MAGASINS.		
Ventes de matériel	2,447,236 66	
Location de matériel et fournitures de lest pour navires	30,131 50	
Recettes diverses	232,451 37	2,709,819 53
SERVICE DES EAUX. (SALE OF WATER, &c.)		
Fourniture d'eau, établissement de prise d'eau, Bornes-fontaines et recettes diverses ...	59,375 82	
Ventes de matériel et de matières	52,340 50	
Remboursement de travaux exécutés pour le compte du Gouvernement égyptien ...	43,043 77	154,760 09 (£6,000)
Total des Recettes spéciales à l'exercice 1871 ...		13,270,138 50
Recettes sur exercice clos		5,936 00
Total		13,276,074 50 (Total Receipts) (£530,000)
Insuffisance reportée au compte de premier établissement ...		2,642,504 88 (Balance against Company carried to Capital) (£105,000)
Total Général		15,918,579 38

Dr.

INVENTAIRE GÉNÉRAL

DÉPENSES REPRÉSENTANT LE PRIX DE REVIENT DU CANAL
MARITIME AU 31 DÉCEMBRE 1871.

Dépenses constatées à l'inventaire général, au 31 décembre 1870 ...	425,536,880 77
Dépenses d'achèvement, d'augmentation et d'amélioration du Canal, en 1871 ...	3,185,804 39
Frais d'émission des Bons trentenaires, en 1871 ...	138,940 40
Total ...	428,861,625 56
A déduire : Le prix d'estimation du matériel pris en charge par le service de l'entretien en 1871 ...	4,935,959 99
	423,925,665 57

LIQUIDATION DES EXERCICES 1870-1871.

Insuffisance de l'exercice 1870 ...	9,589,014 97
Insuffisance de l'exercice 1871 ...	2,642,504 88
	12,231,519 85
	436,157,185 42

ACTIF SUIVANT ESTIMATION.

Domicile administratif et siège social	Hôtel de la Compagnie, à Paris...	928,673 92	
	Mobilier et matériel des bureaux:		
	Paris ...	97,889 60	
	Alexandrie, Caisses et Residences.	20,154 80	
			1,046,718 32
Service du Domaine...	Terrains, valeur ...	Mémoire.	
	Bâtiments ...	3,978,348 22	
	Mobilier matériel...	14,561 15	
			3,992,909 37
Service du Transit, de Navigation et du Télégraphe	Mobilier et matériel des bureaux	19,025 69	
	Matériel et outillage ...	438,181 25	
	Approvisionnements ...	12,792 51	
	Bâtiments ...	660 00	
			470,599 45
Service de l'Entretien du matériel et des magasins	Mobilier et matériel des bureaux	19,305 10	
	Matériel et outillage en service...	6,660,371 78	
	Approvisionnements divers ...	2,944,571 13	
			9,624,248 01
Service des Eaux.....	Mobilier ...	959 70	
	Conduite, réservoir, appareils, matériel ...	2,320,025 80	
	Approvisionnements ...	57,794 62	
	Bâtiments et abris ...	137,160 00	
		2,515,940 12	
	Frais de premier établissement..	3,016,594 58	
			5,532,534 70
			20,667,009 85

ACTIF DISPONIBLE OU REALISABLE.

Caisses, Banque de France et Sociétés de crédit ...	757,969 10	456,824,195 27
Portefeuille ...	832,818 78	
Reports ...	1,160,968 40	
Agence d'Alexandrie ...	2,963,384 21	
Obligataires en retard ...	38,300 00	
Déléataires en retard ...	731,680 00	
Débiteurs divers ou divers Comptes Courants débiteurs ...	567,315 16	
Mandats à recevoir ...	48,843 00	
Coupons d'obligations à échoir en avril et octobre 1872, appliqués à la souscription des Bons trentenaires ...	736,912 50	
Comptes courants des services d'Égypte ...	304,500 91	
Emprunts en Bons trentenaires :		
Solde à recevoir en mars 1872, sur les Bons placés au 31 déc. ...	426,525 00	
Bons restant à placer pour porter à 12 millions		
l'émission de l'emprunt ...	6,587,500 00	
Portion réservée de l'emprunt ...	8,000,000 00	
	15,014,025 00	
		23,156,517 06
		479,980,712 33

TABLE (I).

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AU 31 DÉCEMBRE 1871.

Cr.

Capital social : 400,000 Actions de 500 fr.	200,000,000 00
Emprunt de 1867-1868 : 333,333 Obligations émises à 300 fr.	99,999,900 00
Emprunt de 1871 : 200,000 Bons trentenaires émis à 100 fr.	20,000,000 00
	<u>319,999,900 00</u>
Créanciers divers :	
Solde restant dû sur coupons d'Actions mis en paiement	83,843 50
do. do. d'Obligations mis en paiement	713,812 50
do. sur Obligations appelées au remboursement	498,500 00
Coupons des Obligations du 1er avril 1871 } Dédution faite des	3,312,450 00
do. do. du 1er octobre 1871 } applications à la	3,335,843 75
1871 } souscription aux	1,666,000 00
Tirages des Obligations des 15 mars et } Bons trentenaires.	188,991 40
15 juin, 15 octobre et 15 décembre 1871... }	393,543 93
Actions vendues pour compte de divers...	641,098 30
Effets à payer...	1,373,887 66
Mandats à payer	
Divers créanciers ou divers Comptes Courants créanciers	
	<u>12,207,771 04</u>
TOTAL DU PASSIF	332,207,671 04
Différence en faveur de l'ACTIF reportée pour balance et représentant les produits réalisés pendant la période de Construction et de Premier Etablissement, suivant détail d'autre part ...	147,773,041 29
(Non compris la valeur des terrains figurant pour mémoire à l'actif).	

479,980,712 30

RECETTES OU PRODUITS RÉALISÉS PAR LA COMPAGNIE
PENDANT L'EXECUTION DU CANAL.

Savoir :					
Recettes antérieures à la constitution de la Compagnie...					6,504 88
Indemnité payé par le Vice-Roi, conformément à la sentence impériale du 6 juillet 1864					84,000,000 00
Prix des cessions faites au Gouverne- ment égyptien par la Convention du 23 avril 1869 et règlement de comptes (Délégations)... ..	30,000,000	00			
A déduire :					
La valeur des Magasins de Damiette achetés antérieurement par contrat...	255,469	20			
	29,744,530	80			29,744,530 80
Produits de placements temporaires de fonds					20,103,536 13
Produits net des ventes du Domaine.					
Savoir :					
Cession de l'Ouady	10,000,000	00			
A déduire :					
Le principal de l'Acquisition, le Mobi- lier, le Matériel et les Constructions du fait de la Compagnie et l'Indem- nité de licenciement du Personnel ...	2,406,648	01			
Net	7,593,351	99			
Terrains divers	24,093	54			
					7,617,445 50
Recettes des services :					
de la Construction					401 70
du Transit					4,458,465 81
de Santé					137,415 21
de la Poste et du Télégraphe					123,707 67
du Domaine					941,848 03
Recettes diverses, Négociation de Traités, Change de Monnaie					639,185 56
					147,773,041 29

COMPAGNIE UNIVERSELLE DU CANAL
MARITIME DE SUEZ.

COMPTE DE L'EXERCICE 1872.

Inventaire Général au 31 Décembre 1872.

* * The reader may find the following abstract useful :—

TABLE A, p. 98, is the *Capital Account* as it stood at the opening of the Canal, in December, 1869, and it includes Table B, p. 100, receipts *before* opening.

TABLE F, p. 104, gives the *audited* receipts and expenses of 1869.

TABLE G, p. 105, those of 1870.

TABLE H, p. 106, those of 1871.

TABLE K, p. 112, those of 1872.

TABLE N, p. 118, those of 1873.

TABLE Q, p. 124, those of 1874.

While TABLE R, p. 126, shows the Capital Account to December, 1874.

RECEIPTS AND EXPENSES 1872.

COMPTE DE

DÉPENSES.

CHARGES SOCIALES. (INTEREST, &c.)			
Intérêts des obligations	...	...	8,182,275 00
Amortissement des obligations	...	...	1,877,500 00
Intérêts à 5 0/0 ajoutés du 1 ^{er} janvier aux dates de mise en paiement des coupons et des amortissements en retard	...	...	56,258 00
Intérêts des Bons trentenaires	...	...	960,000 00
Charges annuelles des Obligations et des Bons, Droits de timbre, de transmission	...	...	167,672 61
Contrôle de Gouvernement égyptien	...	...	30,000 00
Charges annuelles des Actions. Droits de transmission	...	...	78,701 92
Commissions et frais divers des correspondants	...	...	65,492 14
DÉPENSES ADMINISTRATIVES. (ADMINISTRATION.)			11,417,899 87 (£456,000)
FRANCE	Administration générale. Conseil d'Administration. Personnel	...	483,799 64
	Frais divers. Publicité. Assemblées générales. Agence de Londres	...	160,902 17
	Personnel et frais divers de l'Agence supérieure	...	223,149 91
ÉGYPTE	Service de santé	...	27,765 00
DOMAINE. (LANDS.)			895,617 12 (£34,000)
Personnel et frais divers	...	...	144,650 67
Surveillance des terrains. Entretien des appontements	...	...	15,061 93
Appropriation des terrains. Création de voies. Plantations nouvelles	...	...	167,988 23
Entretien des bâtiments et des plantations. Essais de culture	...	...	68,811 74
Part revenant au Gouvernement égyptien, d'après les comptes de la C ^e , dans les produits du domaine commun du 23 avril 1869 au 31 décembre 1872	...	...	194,568 00
SERVICE DU TRANSIT, DE LA NAVIGATION ET DU TÉLÉGRAPHE.			591,080 57 (£23,000)
Personnel classé et Personnel auxiliaire	...	...	523,652 98
Frais divers	...	...	149,148 95
Dépenses d'exploitation. Personnel de traction. Salaires d'équipages. Houille. Matières et outillage. Entretien et réparations du matériel. Vigies. Sémaphores. (Working of canal, tugs, &c.)	...	...	941,446 65
SERVICE DE L'ENTRETIEN, DU MATÉRIEL ET DES MAGASINS. (MAINTENANCE.)			1,614,248 58 (£64,000)
Personnel et frais divers	...	...	631,003 92
Entretien et réparation du matériel et Exploitation des dépôts de matériel	...	...	110,502 78
Entretien du Canal et de ses accessoires	...	...	829,765 03
SERVICE DES EAUX.			1,571,271 73 (£62,000)
Personnel et Déplacements	...	...	109,760 64
Charbon. Matières. Entretien et grosses réparations	...	...	42,462 17
Travaux de canalisation et d'installation de nouvelles conduites	...	...	11,404 78
Total des Dépenses de l'exercice 1872			16,523,745 46 (Total expenses) (£650,000)
Excédant des Recettes sur les dépenses			2,071,279 00 (Balance in favour of Company*) (£80,000)
* The first time this favourable state of things occurred.			18,325,024 46

L'EXERCICE 1872.

RECETTES.

SERVICE FINANCIER.

Produits des placements temporaires des fonds disponibles	360,433 66	
Recettes de banque. Change de monnaies. Recettes diverses	102,282 95	
		462,716 61

DOMAINE.

Locations de terrains. Produits des essais de culture	89,546 54	
Locations de bâtiments	131,099 40	
Ventes de terrains	836,077 43	
		1,056,723 34 (£42,000)

SERVICE DU TRANSIT, DE LA NAVIGATION ET DU
TÉLÉGRAPHE. (PROFIT FROM TOLLS, &c.)

Recettes du transit	{ Navires ...	14,338,388 27	
	{ Passagers ...	685,677 50	
	{ Barques ...	129,336 19	
			15,153,401 96
Pilotage			938,430 75
Remorquage			378,134 99
Stationnement			48,957 48
Trafic ou transport par le matériel de la Compagnie.	{ Voyageurs ...	32,114 21	
	{ Messageries ..	3,526 27	
	{ Merchandises ...	108 60	
			35,749 08
Location du matériel flottant. Recettes diverses ...			38,126 30
			16,592,800 56 (£663,000)

SERVICE L'ENTRETIEN DU MATERIEL ET DES
MAGASINS.

Bénéfices sur travaux pour compte de divers	112,502 28	
Location de matériel et Fournitures de lest pour navire	22,929 72	
		135,432 00

SERVICE DES EAUX.

Fournitures d'eau. Établissement de prises d'eau. Recettes diverses	77,351 95	
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Total des recettes de l'exercice 1872	18,325,024 46
(Total receipts)	(£733,600)

Dr.	(CAP. ACCOUNT.)	INVENTAIRE GÉNÉRAL			
DÉPENSES REPRÉSENTANT LE PRIX DE REVIENT DU CANAL MARITIME AU 31 DÉCEMBRE 1872.					
Dépenses constatées à l'Inventaire général au 31 décembre 1871					436,157,185 43
Dépenses d'augmentation et d'amélioration du Canal en 1872					126,496 49
Solde des frais d'émission des Bons trentenaires en 1872... ..					348,709 74
Rectification de la valeur de l'actif suivant estimation en fin de travaux					750,239 86
Dépenses sur exercices clos, soldées en 1877					170,349 64
					1,395,795 73
A DÉDUIRE.					
Vente de matériel en 1872					360,264 76
Recettes sur exercices clos, effectuées en 1872					172,482 23
					532,746 99
					863,048 74
ACTIF SUIVANT ESTIMATION.					
					437,020,234 16
Domicile administratif et siège social ...	{	Hôtel de la Compagnie à Paris .			928,726 42
		Mobilier et matériel des bureaux :			
		Paris			88,305 05
		Alexandrie: caisses et résidences			19,772 80
					1,036,804 27
Service du Domaine ...	{	Terrains, valeur			MEMOIRE.
		Bâtiments			3,612,106 08
		Mobilier, matériel			10,057 95
		Appontements			26,330 79
					3,648,494 82
Service du Transit, de la Navigation et du Télégraphe ...	{	Mobilier et matériel des bureaux			9,110 15
		Matériel et outillage en service .			380,357 36
		Approvisionnements divers ...			13,306 18
					402,773,69
Entretien, Matériel et Magasins ...	{	Mobilier et matériel des bureaux			17,455 24
		Matériel et outillage en service			5,943,918 01
		Approvisionnements divers ...			3,291,365 89
					9,252,739 14
Service des eaux ...	{	Mobilier			855 05
		Conduites, réservoirs et appareils, matériel ...			2,283,836 70
		Approvisionnements			67,333 45
		Bâtiments et abris... ..			133,320 00
					2,485,345 20
Frais de premier établissement					3,016,594 58
					5,501,930 78
					19,842,751 70
ACTIF DISPONIBLE OU RÉALISABLE					
					456,862,985 86
Caisse, Banque de France et Sociétés de crédit					2,251,142 52
Portefeuille... ..					801,646 30
Reports					3,627,168 10
Agence d'Alexandrie					971,173 67
Débiteurs divers ou divers comptes courants débiteurs					526,863 13
Mandats à recevoir					64,773 91
Comptes courants des services d'Egypte					229,518 48
Porteurs de Bons en retard.					650 00
					8,472,936 11
ACTIF RÉSERVÉ					
80,000 Bons trentenaires non émis					8,000,000 80
					473,335,921 97
					(£18,932,000)

TABLE (L).

115

AU 31 DÉCEMBRE 1872.

Cr.

CAPITAL SOCIAL 400,000 actions à 500 francs	200,000,000 00
EMPRUNT DE 1867-1868 ... 333,333 obligations émises à 300 francs ...	99,999,900 00
EMPRUNT DE 1871 en Bons trentenaires:	
120,000 émis à 100 francs 12,000,000 00	
80,000 réservés à 100 francs 8,000,000 00	
	20,000,000, 00
	319,999,900 00
	(Subscribed Capital) (£12,800,000)
CRÉANCIERS DIVERS:	
Solde restant dû sur les coupons d'actions mis en payement 65,388 50	
Solde restant dû sur les coupons d'obligations mis en payement 459,585 02	
Solde restant dû sur les coupons de Bons trentenaires mis en payement 16,347 50	
Solde restant dû sur obligations appelées au rem- boursement 928,500 00	
Actions vendues pour compte de divers 151,486 30	
Délégations vendues pour compte de divers 49,947 61	
Obligations vendues pour compte de divers 20,531 99	
Effets à payer 143,190 12	
Mandats à payer 293,222 34	
Divers créanciers ou divers comptes courants créanciers 1,360,319 03	
	3,488,518 41
Total du passif	323,488,418 41
PROFITS ET PERTES Résultat en bénéfices de l'exercice	
1872 (Profits on year 1872)	2,071,279 00 (£82,800)
Différence en faveur de l'actif reportée pour balance et représentant les produits réalisés pendant la période de construction et de premier établissement (Profits during construction, see Table M.)	147,776,224 56
	473,335,921 97 (£18,932,000)

RECETTES OU PRODUITS RÉALISÉS PAR LA COMPAGNIE
PENDANT L'EXÉCUTION DU CANAL.

Savoir :						
Recettes antérieures à la constitution de la Compagnie	...					6,504 88
Indemnité payée par le Vice-Roi, conformément à la sentence impériale du 6 juillet 1864	...	...	...	...	...	84,000,000 00 (£3,360,000)
Prix des cessions faites au Gouvernement égyptien par la Convention du 23 avril 1869 et règlement de comptes (Délégations)				30,000,000 00 (£1,200,000)		
A déduire :						
La valeur des Magasins de Damiette achetés antérieurement par contrat	...	...		255,469 20		
				29,744,530 80		29,744,530 80
Produits de placements temporaires de fonds	...	...	...			20,103,536 13
Produits nets des ventes du Domaine,						
Savoir :						
Cession de l'Ouady	...	...	...	10,000,000 00		
A déduire :						
Le principal de l'Acquisition, le Mobilier, le Matériel et les Constructions du fait de la Compagnie et l'Indemnité de licenciement du Personnel	...	...	...	2,406,648 01		
				Net ...	7,593,351 99	
				Terrains divers	24,093 51	
						7,617,445 50
Recettes des services :						
de la Construction	...	...	...	...	...	401 70
du Transit	...	...	...	...	...	4,461,649 08 (£184,000)
de Santé	...	...	...	...	...	137,415 21
de la Poste et du Télégraphe				...	...	123,707 67
du Domaine	...	...	...	...	...	941,848 03 (£360,000)
Recettes diverses, Négociation de Traités, Change de Monnaie	...	...	...	...	...	639,185 56
						147,776,224 56 (£5,880,000)

COMPAGNIE UNIVERSELLE DU CANAL
MARITIME DE SUEZ.

COMPTE DE L'EXERCICE 1873.

Inventaire Général au 31 Décembre 1873.

(RECEIPTS AND EXPENSES, 1873.)

COMPTE DE

DÉPENSES.

CHARGES SOCIALES. (INTEREST, SINKING FUND, &c.)

Intérêts des obligations	...	...	...	...	8,135,612 30
Amortissement des obligations	...	...	...	...	1,924,000 00
Intérêts des Bons trentenaires	...	...	...	...	960,000 00
Amortissement des Bons trentenaires	...	...	...	...	317,125 00
Charges annuelles des Obligations et des Bons, Droits de timbre, de transmission	...	...	...	...	82,887 35
Contrôle du Gouvernement égyptien	...	...	...	...	30,000 00
Charges annuelles des Actions. Droits de timbre et de transmission...	...	...	...	...	215,129 65
Commissions et frais divers des correspondants	...	...	...	...	64,341 61

11,729,096 11
(£468,000)

DÉPENSES ADMINISTRATIVES.

FRANCE	{	Administration générale. Conseil d'Administration. Personnel	...	...	557,673 48
		Frais divers. Assemblée générale. Publications. Agence de Londres	...	...	152,931 73
ÉGYPTE	{	Personnel et frais divers de l'Agence supérieure	...	...	198,838 99
		Service de santé	...	...	9,384 46

(Administration, Paris and Egypt)

918,828 66
(£36,700)

DOMAINE.

Personnel et frais divers	...	...	...	...	162,926 40
Surveillance des terrains. Entretien des appontements	...	...	...	...	17,786 63
Appropriation des terrains. Création de voies. Plantations nouvelles	...	...	...	...	36,589 95
Entretien des bâtiments et des plantations. Essais de culture	...	...	...	...	122,458 74
Part revenant au Gouvernement égyptien, d'après les comptes de la C ^e , dans les produits du domaine commun pendant l'année 1873	...	...	...	...	274,172 10

613,933 82

SERVICE DU TRANSIT, DE LA NAVIGATION ET DU TÉLÉGRAPHE.

Personnel classé et Personnel auxiliaire	...	...	...	...	525,569 37
Frais divers	...	...	...	...	58,149 57
Dépenses d'exploitation. Personnel de traction. Salaires d'équipages. Houille. Matières et outillage. Entretien et réparations du matériel. Balisage	...	...	...	...	950,735 04

1,534,453 98

SERVICE DE L'ENTRETIEN, DU MATÉRIEL ET DES MAGASINS.

Personnel et frais divers	...	...	...	...	523,900 79
Entretien et réparation du matériel et Exploitation des dépôts de matériel	...	...	...	...	280,160 30
Entretien du Canal et de ses accessoires	...	...	...	...	1,260,115 05
Fonds de renouvellement de matériel	...	...	...	...	250,000 00

2,314,176 14

SERVICE DES EAUX.

Personnel et Déplacements	...	...	...	...	103,995 06
Charbon. Matières. Entretien et grosses réparations	...	...	...	...	116,544 85

220,539 91

Dépenses de l'exercice 1873
(Working expenses, 1873)

17,331,028 62
(£693,000)

Dépenses sur l'exercice clos 1862

15,079 80

Total des Dépenses
(Total expenses)

17,346,108 42
(£694,000)

L'EXERCICE 1873.

RECETTES.

SERVICE FINANCIER.

Produits des placements temporaires des fonds disponibles ...	400,103 64	
Recettes de banque. Change de monnaies. Recettes diverses ...	50,575 20	450,678 84

DOMAINE. (LAND RENTS AND SALES.)

Locations de terrains. Produits des essais de culture ...	99,508 14	
Locations de bâtiments ...	111,165 41	
Ventes de terrains ...	765,647 18	976,320 73 (£39,000)

SERVICE DU TRANSIT, DE LA NAVIGATION ET DU TÉLÉGRAPHE. (CANAL DUES.)

Recettes du transit	Navires ...	20,825,854 00		
	Passagers .	727,768 75		
	Barques ...	126,237 82	21,679,860 57	
Pilotage ...			1,086,599 25	
Remorquage ...			293,138 56	
Stationnement ...			72,712 51	
Trafic ou transport par le matériel de de la Compagnie	Voyageurs ...	32,705 67		
	Messageries...	3,413 04	36,118 71	
Location du matériel flottant et Recettes diverses...			31,562 11	23,199,991 71 (£927,000)

SERVICE DE L'ENTRETIEN DU MATÉRIEL ET DES MAGASINS.

Bénéfices sur travaux pour compte de divers, et sur vente de matériel et de matières ..	103,776 45	
Location de matériel et Fournitures de lest pour navires ...	13,679 28	117,455 73

SERVICE DES EAUX.

Fournitures d'eau. Établissement de prises d'eau. Recettes diverses ...	80,285 49	
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Recettes de l'exercice 1873 ...	(Receipts, 1873)	24,821,732 50 (£993,000)
Recettes sur exercice clos 1872 ...		6,393 50

Total des recettes ...	24,831,126 00 (£993,000)
A déduire les dépenses ...	17,346,108 42 (£694,000)

Recette nette de 1873 ...	7,485,017 58 (£44,000)
Report du solde disponible au 31 décembre 1872...	2,071,279 00

Total ...	9,556,296 58 (£382,000)
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A déduire: Coupon de juillet 1870 distribué au capital social en avril 1873. (Less back coupons, 1870)	5,000,000 00
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Solde en excédant à reporter sur 1874	4,556,296 58 (£182,000)
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Dr.

INVENTAIRE GÉNÉRAL

**DÉPENSES REPRÉSENTANT LE PRIX DE REVIENT DU
CANAL MARITIME AU 31 DÉCEMBRE 1873.**

Dépenses constatées à l'Inventaire général au 31 décembre 1872	...	...	...	...	437,020,234 16
Dépenses d'augmentation et d'amélioration du Canal en 1873	...	...	779,646 37	...	
Dépenses sur les Exercices clos antérieurs à 1872	...	...	10,757 21	...	
					790,403 58
A DÉDUIRE.					
	Total	...	...	...	437,810,637 74
Recettes sur les Exercices clos antérieurs à 1872	...	...	...	...	884,046 76
ACTIF SUIVANT ESTIMATION.					
Domicile administratif et siège social	Hôtel de la Compagnie à Paris	928,726 41			
	Mobilier et matériel des bureaux:				
	Paris	80,846 25			
	Alexandrie: caisses et résidences	20,416 60			
				1,029,989 27	
Service du Domaine	Terrains, valeur	...	MEMOIRE.		
	Bâtiments	3,671,899 28			
	Mobilier, matériel	12,006 60			
	Appontements	31,375 15			
				3,715,281 03	
Service du Transit, de la Navigation et du Télégraphe	Mobilier et matériel des bureaux	11,721 55			
	Matériel et outillage en service	460,153 31			
	Approvisionnements divers	13,015 19			
				484,890 05	
Entretien, Matériel et Magasins	Mobilier et matériel des bureaux	24,151 91			
	Matériel et outillage en service	6,563,317 90			
	Approvisionnements divers	4,210,673 89			
				10,798,143 70	
Service des eaux	Mobilier	749 90			
	Conduites, réservoirs et appareils, matériel	2,233,146 60			
	Approvisionnements	66,278 77			
	Bâtiments et abris	128,400 00			
		2,428,575 27			
	Frais de premier établissement	3,016,594 58		5,445,169 85	
					21,473,473 90
ACTIF DISPONIBLE OU RÉALISABLE.					
					458,400,064 88
Caisse, Banque de France et Sociétés de crédit	...	...	3,290,769 56		
Portefeuille	...	...	571,839 37		
Reports	...	...	1,003,854 20		
Agence d'Alexandrie	...	...	4,162,145 67		
Débiteurs divers ou divers comptes courants débiteurs	...	...	658,044 60		
Mandats à recevoir	...	...	148,055 37		
Comptes courants des services d'Égypte	...	...	8,490 27		
Porteurs de Bons en retard	...	...	50 00		
					9,843,249 04
ACTIF RÉSERVÉ.					
80,000 Bons trentenaires non émis, dont: 79,263 en portefeuille	...	...	7,926,300 00		
737 amortis au tirage du 1er août 1873	...	...	73,700 00		
					8,000,000 00
					476,243,313 92

TABLE (O).

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AU 31 DÉCEMBRE 1873.

Cr.

CAPITAL SOCIAL 400,000 actions à 500 francs	200,000,000 00
EMPRUNT DE 1867-1868 ... 333,333 obligations émises à 300 francs ...	99,999,900 00
EMPRUNT DE 1871 en Bons trentenaires:	
120,000 émis à 100 francs 12,000,000 00	
80,000 réserves à 100 francs 8,000,000 00	
	20,000,000 00
CREANCIERS DIVERS:	319,999,900 00
Solde restant dû sur les coupons d'actions mis en payement 147,593 25	
Solde restant dû sur les coupons d'obligations mis en payement 339,255 69	
Solde restant dû sur les coupons de Bons trentenaires mis en payement 13,156 81	
Solde restant dû sur les coupons de délégations ... 24,719 50	
Solde restant dû sur obligations appelées au remboursement 692,000 00	
Solde restant dû sur les bons appelés au remboursement 27,875 00	
Solde restant dû sur les délégations appelées au remboursement 135,000 00	
Actions vendues pour compte de divers 126,280 72	
Délégations vendues pour compte de divers 38,762 14	
Obligations vendues pour compte de divers 19,475 61	
Effets à payer 89,999 26	
Mandats à payer 422,740 00	
Divers créanciers ou divers comptes courants créanciers 1,510,334 80	
	3,587,192 78
COMPTES D'ORDRE:	
Contre-valeur des 737 bons de l'actif réservé, amortis par le tirage du 1er août 1873 73,700 00	
Fonds de renouvellement de matériel 250,000 00	
	323,700 00
Total du passif	323,910,792 78
PROFITS ET PERTES ... Solde des bénéfices à reporter sur l'exercice 1874	4,556,296 58
Différence en faveur de l'actif reportée pour balance et représentant les produits réalisés pendant la période de construction et de premier établissement	147,776,224 57
	476,243,313 92

RECETTES OU PRODUITS RÉALISÉS PAR LA COMPAGNIE
PENDANT L'EXÉCUTION DU CANAL

Savoir :

Recettes antérieures à la constitution de la Compagnie ...	6,504 88
Indemnité payée par le Vice-Roi, conformément à la sentence impériale du 6 juillet 1864	84,000,000 00
Prix des cessions faites au Gouvernement égyptien par la Convention du 23 avril 1869 et règlement de comptes (Délégations)	30,000,000 00

A déduire :

La valeur des Magasins de Damiette achetés antérieurement par contrat ...	255,469 20	
	<u>29,744,530 80</u>	29,744,530 80
Produits de placements temporaires de fonds		20,103,536 13
Produits nets des vents du Domaine,		

Savoir :

Cession de l'Ouady	10,000,000 00
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A déduire:

Le principal de l'Acquisition, le Mobilier, le Matériel et les Constructions du fait de la Compagnie et l'Indemnité de licenciement du Personnel	2,406,648 01	
NET	7,593,351 99	
Terrains divers	24,093 51	7,617,445 50
Recettes des services :		
de la Construction		401 70
du Transit		4,461,649 08
de Santé		137,415 21
de la Poste et du Télégraphe		123,707 67
du Domaine		941,848 03
Recettes diverses, Négociation de Traités, Change de Monnaie		639,185 59
		<u>147,776,224 56</u>

COMPAGNIE UNIVERSELLE DU CANAL
MARITIME DE SUEZ.

COMPTE DE L'EXERCICE 1874.

Inventaire Général au 31 Décembre 1874.

(RECEIPTS AND EXPENSES, 1874.)

COMPTE DE

DÉPENSES.			
CHARGES SOCIALES.			
Intérêts des obligations ...	(Interest on obligations, 1867)	8,086,600 00	
Amortissement des obligations ...	(Drawings)	(£323,000)	
Intérêts des Bons trentenaires...	(Interest on 30 years' Bonds)	1,974,000 00	
Amortissement des Bons trentenaires	(Drawings on do.)	(£80,000)	
Charges annuelles des Obligations et des Bons, Droits de timbre, de transmission ...		945,600 00	
Contrôle du Gouvernement égyptien...		(£38,000)	
Charges annuelles des Actions. Droits de timbre et de transmission ...		337,500 00	
Commissions et frais divers des correspondants ...		(£13,000)	
Consolidation de Coupons d'intérêts arriérés	Frais matériels d'émission ... 50,039 02 Remboursement aux divers exercices des avances faites par eux ... 766,625 15 (Capitalization of Coupons)	100,715 85 30,000 00 13,878 23 70,234 91	
		816,664 17	12,375,193 16
DÉPENSES ADMINISTRATIVES.			
FRANCE { Administration générale. Conseil d'Administration. Personnel		561,743 45	
FRANCE { Frais divers. Assemblée générale. Publications. Agence de Londres		134,581 04	
ÉGYPTE { Personnel et frais divers de l'Agence supérieure		238,744 29	
ÉGYPTE { Service de santé		8,266 00	943,334 78
SERVICE DU DOMAINE.			
Personnel et frais divers		168,100 08	
Surveillance des terrains. Entretien des appointements		17,274 38	
Appropriation des terrains. Création de voies. Plantation nouvelles		102,392 52	
Entretien des bâtiments et des plantations. Essais de culture...		172,373 05	460,140 03
SERVICE DU TRANSIT ET DE LA NAVIGATION.			
Personnel classé et Personnel auxiliaire		796,719 69	
Frais divers		183,254 63	
Dépenses d'exploitation. Personnel de traction. Salaires d'équipages. Houille. Matières et outillage. Entretien et réparations du matériel. Balisage ...		525,839 16	1,505,813 48
SERVICE DE L'ENTRETIEN.			
Personnel et frais divers...		598,774 80	
Entretien et réparation du matériel et Exploitation des dépôts de matériel		395,376 71	
Entretien du Canal et de ses accessoires		1,798,833 19	
Fonds de renouvellement de matériel		250,000 00	3,042,984 70
SERVICE DES EAUX.			
Personnel et Déplacements		106,186 22	
Charbon. Matières. Entretien et grosses réparations		135,818 48	242,004 70
Dépenses de l'exercice 1874			18,569,470 85
Dépenses sur les exercices clos 1872 et 1873			98,097 01
Total des Dépenses (Total Expenses)			18,667,567 86 (£746,000)

L'EXERCICE 1874.

RECETTES.					
SERVICE FINANCIER.					
Produits des placements temporaires des fonds disponibles	...	...	...	471,862 66	
Recettes de banque. Change de monnaies. Recettes diverses	...	...	...	5,819 02	477,681 68
SERVICE DU DOMAINE.					
Locations de terrains. Produits des essais de culture	...	...	...	75,567 96	
Locations de bâtiments	...	...	...	153,707 64	
Ventes de terrains	...	...	...	259,631 84	
Reprise sur la participation du Gouvernement égyptien pour insuffisance des produits du Domaine commun en 1874	...	...	...	14,067 57	502,975 01
SERVICE DU TRANSIT ET DE LA NAVIGATION.					
Recettes du transit	...	...	...		
{ Navires	...	...	22,654,309 49		
{ Passagers	...	...	741,201 25		
{ Barques	...	...	150,220 73		
				23,545,731 47	
Pilotage	...	...	...	1,257,234 50	
Remorquage	...	...	...	201,654 47	
Stationnement	...	...	...	63,206 47	
Trafic ou transport par le matériel de la Compagnie	...	...	...		
{ Voyageurs	...	...	22,171 35		
{ Messageries	...	...	5,825 64		
				27,996 99	
Location du matériel flottant et Recettes diverses	...	...	...	13,465 62	25,109,289 52
					(£1,004,000)
(Total receipts, Canal)					
SERVICE DE L'ENTRETIEN.					
Bénéfices sur travaux pour compte de divers, et sur vente de matériel de matières	...	...	...	185,295 29	
Location de matériel et Fournitures de lest pour navires	...	...	...	17,505 10	202,800 39
SERVICE DES EAUX.					
Fournitures d'Eau. Établissement de prises d'eau. Recettes diverses					90,768 55
Recettes de l'exercice 1874	...	...	...		26,383,515 15
Recettes sur les exercices clos 1872 et 1873	...	...	...		342,629 56
Total des recettes	...	...	...		26,726,144 71
					(£1,089,000)
A déduire les dépenses	...	...	...		18,667,567 86
Recette nette de 1874	...	...	...		8,058,576 85
					(£320,000)
Report du solde disponible au 31 décembre 1873	...	...	...		4,556,296 58
Total	...	...	...		12,614,873 43
					(£500,000)
A déduire: Intérêts du deuxième semestre 1870—payés au capital social en février 1874	...	...	...	5,000,000 00	
Intérêts du deuxième semestre 1874—à distribuer au capital social en janvier 1875	...	...	...	5,000,000 00	10,000,000 00
					(£400,000)
Solde en excédant à reporter sur 1875	...	...	...		2,614,873 43
					(£104,000)
(Balance to carry over)					

Dr. (CAPITAL ACCOUNT, TO DEC. 1874.) INVENTAIRE GÉNÉRAL

DÉPENSES RÉPRESENTANT LE PRIX DE REVIENT DU CANAL
MARITIME AU 31 DÉCEMBRE 1874.

Dépenses constatées à l'Inventaire général au 31 décembre 1873 ...		436,926,590 98
Dépenses d'augmentation et d'amélioration du Canal en 1874 ...	1,023,244 09	
Dépenses sur les Exercices clos antérieurs à 1872 ...	18,292 55	
Règlement des intérêts arriérés du 1er janvier 1871 au 30 juin 1874 ...	34,000,000 00	
TOTAL ...	35,041,536 64	
A déduire:		
Recettes sur les Exercices clos antérieurs à 1872 ...	198,147 51	34,843,389 13
ACTIF SUIVANT ESTIMATION.		471,769,980 11
Domicile administratif et siège social ...	Hôtel de la Compagnie à Paris... 928,726 42 Mobilier et matériel des bureaux : Paris... 75,942 51 Alexandrie : caisses et résidences 22,710 08	1,027,379 01
Service du Domaine ...	Terrains, valeur ... Mémoire. Bâtiments ... 3,712,825 51 Mobilier, matériel ... 11,122 05 Appontements ... 30,614 43	3,754,561 99
Service du Transit, de la Navigation et du Télégraphe ...	Mobilier et matériel des bureaux 12,040 25 Matériel et outillage en service... 362,995 63 Approvisionnements divers ... 136,026 09	511,061 97
Entretien, Matériel et Magasins ...	Mobilier et matériel des bureaux 23,676 59 Matériel et outillage en service . 6,601,688 51 Approvisionnements divers ... 4,507,761 49	11,133,126 59
Service des eaux.....	Mobilier ... 663 00 Conduites, réservoirs et appa- reils, matériel ... 2,162,186 50 Approvisionnements ... 61,021 12 Bâtiments et abris ... 128,950 00	
	2,352,820 62	
Frais de premier établissement	3,016,594 58	
	5,369,415 20	
ACTIF DISPONIBLE OU RÉALISABLE.		21,795,544 76
Caisse, Banque de France et Sociétés de crédit ...	1,727,315 08	493,565,524 87
Portefeuille ...	1,552,612 77	
Reports ...	1,583,870 45	
Agence d'Alexandrie ...	5,198,234 68	
Débiteurs divers ou divers comptes courants débiteurs ...	1,452,103 09	
Mandats à recevoir ...	8,953 28	
Bons d'intérêts arriérés d'Actions.....	Non réclamés par les ayants droit ... 10,596,440 00 Part affectée au fonds spécial d'amortisse- ment des délégations ... 4,861,150 00	11,523,089 35
		15,457,590 00
ACTIF RÉSERVÉ.		
80,000 Bons trentenaires non émis, dont : 78,463 en portefeuille ...	7,846,300 00	
{ 1,537 amortis par les deux { premiers tirages... ..	153,700 00	8,000,000 00
		528,546,204 22

TABLE (R).

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AU 31 DÉCEMBRE 1874.

Cr.

CAPITAL SOCIAL	400,000 actions à 500 francs	200,000,000 00
CONSOLIDATION d'intérêts ar-		
riérés d'actions... ..	400,000 bons à 85 francs	34,000,000 00
EMPRUNT DE 1867-1868	333,333 obligations émises	
	à 300 francs	99,999,900 00
EMPRUNT DE 1871 en Bons tren-		
tenaires	120,000 émis à 100 francs... 12,000,000 00	
	80,000 réservés à 100 francs 8,000,000 00	
		20,000,000 00
CREANCIERS DIVERS :		
Solde restant dû sur les coupons d'actions mis en		353,999,900 00
payement	2,595,612 74	
Solde restant dû sur les coupons d'obligations mis en		
payement	399,447 74	
Solde restant dû sur les coupons de Bons trentenaires		
mis en payement	14,864 46	
Solde restant dû sur les coupons de délégations	1,282,062 03	
Solde restant dû sur obligations appelées au rembourse-		
ment	666,000 00	
Solde restant dû sur les bons appelés au remboursement...	43,750 00	
Solde restant dû sur les délégations appelées au rem-		
boursement	761,500 00	
Actions vendues pour compte de divers	100,081 22	
Délégations vendues pour compte de divers	26,593 04	
Obligations vendues pour compte de divers	18,873 07	
Bons vendues pour compte de divers	208 15	
Effets à payer	217,064 85	
Mandats à payer... ..	384,876 73	
Divers créanciers ou divers comptes courants créanciers..	1,501,982 20	
		8,012,916 23
COMPTES D'ORDRE :		
Contre-valeur des 1537 bons de l'actif réservé, amortis		
par le deux premiers tirages	153,700 00	
Fonds de renouvellement de matériel	500,000 00	
		653,700 00
Total du passif		
Solde des coupons consolidés non présentés à l'échange...	10,596,440 00	362,666,516 23
Fonds spécial d'amortissement des délégations	4,861,150 00	15,457,590 00
PROFITS ET PERTES :		
Solde en excédant à reporter sur l'exercice 1875		2,614,873 43
Différence en faveur de l'actif reportée pour balance et représentant		
les produits réalisés pendant la période de construction et de		
premier établissement		147,807,224 56
		528,546,204 22

RECETTES OU PRODUITS RÉALISÉS PAR LA COMPAGNIE
PENDANT L'EXÉCUTION DU CANAL.

Savoir :					
Recettes antérieures à la constitution de la Compagnie	...				6,504 88
Indemnité payée par le Vice-Roi, conformément à la sentence impériale du 6 juillet 1864	...	...	...	...	84,000,000 00
Prix des cessions faites au Gouvernement égyptien par la Convention du 23 avril 1869 et règlement de comptes (Délégations)					30,000,000 00
A déduire :					
La valeur des Magazins de Damiette achetés antérieurement par contrat	...	...		255,469 20	
				<u>29,744,530 80</u>	29,744,530 80
Produits de placements temporaires de fonds	...	...			20,103,536 13
Produits nets des ventes du Domaine,					
Savoir :					
Cession de l'Ouady	...	...	...	10,000,000 00	
A déduire :					
Le principal de l'Acquisition, le Mobilier, le Matériel et les Constructions du fait de la Compagnie et l'Indemnité de licenciement du Personnel	...	...	...	2,406,648 01	
				<u>7,593,351 99</u>	
Net	...	...			
Terrains divers	...			55,093 51	
				<u>7,648,445 30</u>	7,648,445 30
Recettes des services :					
de la Construction	...	...	...	...	401 70
du Transit...	...	...	...	...	4,461,649 08
de Santé	...	...	...	...	137,415 21
de la Poste et du Télégraphe	...	...	...	...	123,707 67
du Domaine	...	...	...	...	941,848 03
Recettes diverses, Negociation de Traités, Change de Monnaie	...	...	...	...	639,185 56
					<u>147,807,224 56</u>

* * The next Balance Sheet will not be published until July, 1876.

THE TONNAGE QUESTION.

CHAPTER XVII.

THE TONNAGE QUESTION.

AS we have seen that the enormous advantages offered by the Canal were soon appreciated, and that the Company found themselves in possession of a monopoly never to be threatened with rivalry, it was not unnatural that, like other monopolists, they should seek to turn their position to profit ; especially as for more than three years from the opening no profits were earned, and the proprietors were carrying on their business for the benefit of the public without remuneration. This seemed a hard state of things ; and no one could have objected to any increase in the rates charged, which would yield a reasonable profit to those who had struggled so long and so successfully to complete their undertaking. It is to the credit of the English Government that in the dispute which followed, it took this liberal view, and from the first maintained that, even though bound by the terms of its conces-

sion, the Company was entitled to such a fair revision of their tolls as would make the business remunerative. M. de Lesseps and his Company, however, were too grasping, and after an unpleasant contest attended with mortification to one side were defeated and compelled to revert to their old position and old charges. The contest was not undramatic, and maintained with spirit on all sides.

The point in dispute was of the simplest kind. In the concession it was laid down that the maximum charge was to be ten francs per ton "of capacity :"

"De ne pas excéder, pour le droit spécial de navigation, le chiffre maximum de 10 fr. par tonneau de capacité des navires." So ran the words.

This description "tonneau de capacité," though apparently not without ambiguity, was made certain enough for all practical purposes by the general custom of the great Maritime Powers. The question of ascertaining by measurement the amount of goods a vessel could carry, in other words its size, had always been an intricate one ; for though a rule of measurement had been laid down, the ingenuity of shipowners and shipbuilders was set to work to contrive additional accommodation which should yet fall without the rule of measurement. This

will be better understood by what was attempted in the case of the telegraphs, when what might be called the duty was paid on each separate word ; but by a code of arbitrary signs, a single word of six letters was made to do duty for six words. In the same fashion a vessel registered at, and paying duty on, 100 tons, might really carry double that amount of goods. Again, there was the space for sleeping cabins, and, in the case of steamers, of the engine-rooms and machinery, &c., which should be deducted, as no cargo could be carried in such compartments. The practice of England, as being the largest shipowning nation, was naturally followed, and before long an agreement was made between France, the United States, Austria, Italy, Holland, Denmark and Germany, who were the leading Maritime Powers, to adopt the English mode of estimating the size of the ship, as being the one that most nearly reached the true capacity of the ship. This was known as the Moorsom system. It had been adopted by the Shipping Act of 1854, and was of the simplest kind. The gross tonnage, that is the capacity of the ship cleared from end to end, was ascertained ; half this amount was taken off in the case of a sailing ship to allow for

cabins, ballast, &c. ; and in the case of a steamer, about one-fourth was deducted for the engine-room, &c. The balance, which was 37 per cent. of the whole, was inscribed on the ship's papers as her "*net tonnage*," and on this the toll was paid. The French method, as might be expected, was more scientific and based on a regular calculation, the dimensions being multiplied and divided after a formula. The English mode, however rough, has the advantage of simplicity.

The Moorsom method having been adopted by all the great Maritime Powers before the opening of the Canal, it might be fairly assumed that the regulations of the Company had reference to what was the universal practice.

Accordingly, on October 16th, 1868, we find M. de Lesseps addressing a commission of scientific and nautical men whom he had called together with a view of defining what this "*ton of capacity*" mentioned in their articles was, and how the duty was to be levied. "All vessels," he said, "carry their papers, on which the official tonnage is marked. The scale (*jaugeage*) adopted in each country for settling the mode in which dues are to be levied is therefore very correct in principle ; but the method

of calculating is different in different countries, and the Company therefore loses where there is a mode of calculating which favours particular flags. We would wish, therefore, to try and discover some ton-standard (*type-tonneau*) which could be applied to the ton adopted by the various countries, &c.* The Commission was composed of twenty-three members, of whom M. Dupuy de Lôme, the well-known ironclad designer, was the most distinguished. With this exception, and that of two others, all the members of this body were connected with the Canal. The Messageries were tenants of the Company at Suez; one M. Rumeau, whom we shall meet later on, was consulting engineer of the works. The Commission found that the English official ton would be the best standard. It admits, however, that no very equal application can be made of this standard-ton to the official ton of other nations, it not being possible often to compare the measurement even of vessels bearing the same flag. The question of a uniform system of measurement being now actually submitted to a disinterested commission a solution may shortly be expected.

* "Plaidoirie" de Maître Allou, 1873, p. 36.

The Commission was of opinion, that "while waiting the adoption of a universal rule [of measurement], the Company ought to levy the dues according to the tonnage set out in the ship's papers, without regard to the flag."*

Accordingly, on the eve of the opening of the Canal, the following regulations were drawn up, dated August 17th, 1869:—

ART. II.

"Les péages sont calculés sur le *tonnage réel* des navires, quant au droit de transit et aux frais de remorquage et de stationnement.

"Ce tonnage est déterminé, *jusqu'à nouvel ordre*, d'après les papiers officiels du bord.

"Le droit de transit d'une mer à l'autre est de dix francs (10 fr.) par *tonne de jauge*, et de dix francs (10 fr.) par *passager*, payables à l'entrée de Port-Said ou de Suez.

"Les frais de remorquage sont fixés à deux francs (2 fr.) par tonne."†

The meaning of these rules was that the dues

* "Plaidoirie," *supra*, p. 37.

† On Feb. 1st, 1870, an explanatory note was added as to the steamers:—"Pour les steamers, la perception se fait d'après le

were to be calculated on "the actual tonnage," which was to be accepted as given in the ship's papers until further notice. Ten francs was to be paid on the measured tonnage. Maître Allou, in his pleading for the Company, makes a point of this "until further notice," as though it were merely provisional ; but it was no more than the conventional phrase adopted in such notices. This argument that the Company all through interpreted their "ton of capacity" as the ton of weight which the ship was able to carry, apart from any results to be obtained from register, is quite fallacious. The papers just quoted show that they accepted the existing practice, though they were not disinclined to accept any other mode which would raise their profits.

What the Prince de la Tour d'Auvergne wrote to them in October, 1869, should be borne in mind when we come to a later stage of the discussion. He says that the Emperor is most anxious to have a uniform system of measurement *based on the*

tonnage officiel net (non compris l'espace occupé par les machines)." That is, a declaration that the space for the engines was exempt from the dues.

English method adopted by all the Powers. Maître Allou declared that "the Company had accepted the tariff provisionally while waiting for this international solution."

The war naturally interrupted this inquiry ; but it is a little surprising to find M. de Lesseps, in December, 1870, declaring that it was "urgent" to modify the base of the rating, and this, though the Minister for Foreign Affairs had begged of them to wait until these inquiries had some result, and a uniform system of measurement had been adopted.

It must be said, however, that there was some excuse for the Company, who were being pressed by certain English owners whose vessels the Moorsom system of measurement did not happen to favour, and who saw vessels whose gross tonnage was 2000 tons rated on net tonnage at perhaps 1200. From lists of steamers for sale in England they gathered some yet more striking discrepancies, while the officers who collected the dues at Port Said would often visit a clipper paying duty on 2000 tons and whose captain informed them that he had more than 3000 tons of goods on board.

The prospect, however, of any arrangement seemed so distant that the Company felt itself obliged to put

it aside and adopt a new course. Its concession allowed it to levy on the ton of capacity. It only remained to define this capacity and take it as a base for the dues.

The shareholders were for pushing their rights to the utmost, without waiting to negotiate. The treaty named "a ton of capacity," let each vessel be measured for its cubic contents in tons and charged accordingly. In Maître Allou's forensic language—

"L'heure était venue, en effet : la mesure des sacrifices était comblé, la Compagnie s'était traînée, dans un dernier effort, dans les dernières convulsions, pour assurer la réalisation suprême de sa grande œuvre ; mais elle tombait épuisée et mourante aux bords du Canal qu'elle venait d'ouvrir, comme le soldat vainqueur qui succombe au terme de sa course, tenant en mains la palme triomphale."

But the most angry passions were roused. The shareholders, inflamed by the non receipt of dividends, and greedy for what the prospects of the Canal promised, accused their president of being a traitor—of "*wishing to sell the Canal to the English,*" &c. He, however, retained his moderation ; the point was to interpret the words "ton of capacity," which was to be done by referring it to "the legal

council" of the Company, and also to a second Commission. M. Rumeau, who was again the reporter, and will later once more figure in the discussions, produced a document which as a specimen of coolness is unrivalled. It declared that by the adopted Moorsom system the capacity was understated by nearly fifty per cent.*

A beginning was also to be made in the shape of an actual increase of one franc per ton, in order that "the surplus of one franc may be given as a guarantee to the subscribers to a loan of 20,000,000 fr." For licence to impose this tax he applied on August 8, 1871, to the Viceroy. The latter replied :—

"His Highness hastened to reply to your telegram demanding authority to modify the clause of the Act of Concession which fixes 10 fr. per ton for the Canal passage dues.

"His Highness, while informing you that he saw no objection, so far as concerns his Government, to the modification that you demanded, at the desire expressed and the urgency of the case as stated by

* As this theory will be given in full a little further on, it may be passed by for the present.

you, hastened at the same time to advise the Sublime Porte of your request and of his reply.

“The Sublime Porte, as you are aware, was called upon to authorize and sanction the Acts of Concession to the Company. Nothing, therefore, that may give rise to a modification of these Acts can be definitely done without its authority and sanction.

“The Imperial Government has not yet replied to his Highness’ communication.

“His Highness will immediately inform you of its decision on this point as soon as it arrives.”*

This it will be seen did not touch the question, and was merely done by sufferance. For some reason, however, the extra tax was never imposed.

It was in 1872 that the result of all these consultations, commissions, and discussions was brought to light in the shape of a notice dated March 4, 1872. It ran :—

Art. XII.—1. From the first of July, 1872, the Company will levy their “*droit spécial de navigation*” of 10 fr. a ton upon the real capacity of vessels.

2. The gross tonnage marked in the ships’ papers

* Correspondence on Suez Canal Dues (Blue Book), p. 38.

is to be the base of calculation (according to the English method).

5. All space under cover made use of permanently or temporarily and not counted in the official tonnage shall be measured, and charged by the Company's agents.

6. Government ships to be subject to the same.

The dues to be paid in advance at Port Said, with other minor regulations. But a hint of further demands was found in an N.B. "The Company while adopting as a basis the mode of measurement just described, reserves the right of applying any new and more accurate mode of measurement that may later be discovered."*

It will be observed that this notice was of a most deceptive kind, and that while it affected to take the English "gross tonnage" as "a base," it suppressed all allusion to its extraordinary system of treating the English measurement as a false basis. For a time both France and England did not see the drift of this extra duty. In the latter country the Board of Trade offered its congratulations, saying it was happy to find that the Company had

* For the French text, see the Official Documents.

adopted the resolution, being convinced that the principle was the correct one. The Admiralty wrote to say that the interpretation of the words "tonneau de capacité" as being the gross tonnage subject to the deduction for the engines and bunkers was the true one, and the one adopted by the Danubian Commission.* The French Government also approved, making allusion to the usual deduction of 40 per cent. for engine-room, quite ignorant that the Company had reduced this allowance to 25 per cent. The Company, however, deluded by the prospect of growing receipts, now fancied that it could treat its customers as it pleased; but it was to learn by a disastrous repulse that the philanthropic clause in its concession of being a neutral highway for the advantage of humanity in general, was to be construed strictly.

This grasping spirit was shown in another direction. By the arrangement known as "the capitulations," every dispute in Egypt between strangers was to be tried in the Court of the defendant's nation. A special clause of the firman of 1866 declared that questions

* "Plaidoirie," de Maître Allou, pp. 64-68. That advocate disingenuously quoted those letters as proof of the approbation, by the English Government, of the change.

between foreigners and the Company should be submitted to an Egyptian Court. The Company, as some shipowners now began to refuse to accept the new tariff, appealed to the capitulations, and as defendants claimed to have the case decided by the French Consul. If the clause in the firman were invoked, they declared that by an Egyptian Court was meant the French Consular jurisdiction in Egypt. It was remarkable too that it could now count on energetic support from the Republican Government of France, as represented by M. de Rémusat, to whom De Lesseps had appealed, and who supported his view.

*The French Foreign Secretary desires the jurisdiction of an Egyptian Court over the Canal Company.**

“Versailles, February 23rd, 1872.

“SIR,—You have done me the honour to write to me on the 31st of last month, on the subject of a summons that the Company has recently received, for the first time since its formation, to appear before an Egyptian tribunal.

“In presence of the customs that have prevailed until now as regards the Suez Company, I have invited

* Correspondence, “Canal Dues,” 1874, p. 3.

our Consul-General to inform the Khedive, should the case come forward, that it cannot be admitted that a change be introduced in the *modus vivendi* regulating judicial disputes affecting the Company.

“Receive, &c.

(Signed) “REMUSAT.”

The Egyptian Minister disposed of this theory in an admirable argument.

*“Reply of Nubar Pasha to De Lesseps on the
Question of Jurisdiction.”*

“Cairo, May 16th, 1872.

“MR. PRESIDENT,—My colleague of the Interior, Sherif Pasha, has forwarded to me the letter written by you to him from Ismailia, the 12th May, together with its two annexes—viz., your letter of the 31st of January to Count de Rémusat, and his reply.

“The question is one of competence between the seventeen tribunals which, according to custom, have a jurisdiction more or less extended in Egypt.

“In accordance with this custom, when the Company is plaintiff in an action, it must sue the defendant before the tribunal to which he is amenable.

No doubt can arise on this point, as far as the Company is concerned. Nor is this the point at issue.

“The question reduces itself actually to this. Before which of the two tribunals, Egyptian or Consular, should an action be brought in which the Company appears as defendant ?

“Thus put, the question seems to me, Mr. President, to answer for itself.

“Is the Company Egyptian or French ? Is it not Egyptian ? This point was one of the fundamental conditions of its constitution, and lately you yourself, Mr. President, before certain members of the General Assembly, established this fact as a principle, and proved that it did not even admit of discussion.

“The Company, then, is an Egyptian one. It must, in consequence, follow the lot that treaties and customs have imposed on all Egyptians alike.

“Even the exception made in the Firman of Concession, which allows a special jurisdiction in all that concerns its constitution as a Company, and the relations of shareholders among themselves, confirms what is expressly stated at the conclusion of the paragraph that mentions this exception—namely, that disputes in Egypt between the Company and

individuals of any nationality whatever, shall be tried by the local tribunals, in accordance with the forms sanctioned by the laws and customs of the country, and by treaties.

“ I have no need, Mr. President, to acquaint you with the provisions of the treaties. They stipulate that, no matter who the plaintiff or defendant, the right to try actions belongs to the local tribunals.

“ Custom, on the contrary, of which you yourself know well the origin, would make the tribunal of the defendant alone competent to judge.

“ In the case before us it is an Egyptian Company, the Khedivian, that brings an action in Egypt against another Egyptian Company—the Universal Suez Canal Company. On what grounds then, would the Consular Tribunal of France be competent to try this action ?

“ The despatch that Count Rémusat has addressed to us does not discuss the principle of competency ; it simply states, that as the Company when defendant in an action has, up to the present time, been judged before the French Consular Tribunal, M. Brenier de Montmorand should inform the Khedive that it could not be admitted that a change be intro-

duced in the *modus vivendi* which regulates disputes affecting the Company.

“ The legal adviser, therefore, does not, nor in fact could he, contest in this despatch either the nationality of the Company, or the significance given by the Egyptian Government to customs and treaties ; but he concedes to the Egyptian Company a *modus vivendi* of its own.

“ Now, what the legal adviser concedes with regard to a Company might be equally admitted in the case of any other Egyptian subject who had allowed himself to be judged before the French Consular Tribunal.

“ The other Consulates not only would believe that they had the right, but that they ought to practise the principle put in force by the French Consulate ; and by this means Egyptian subjects, even when defendants, would be declared amenable to foreign tribunals, and would thus be deprived of the last vestige of their nationality, contrary to treaties made with those whose duty it should be to guard those treaties.

“ I can well understand that, while waiting for the radical changes that we all desire to see introduced in the administration of justice, the Minister of

Foreign Affairs speaks of preserving the actual *modus vivendi*. But what one understands by a *modus vivendi* is, that mutual situation of two parties which it is desirable to preserve between them. It consists of the relations that their tacit agreement or circumstances have established between them, but between them alone. It is on them alone, therefore, that it is possible to bring to bear the agreement given, or the circumstances which they have undergone. The jurisdiction of the French Consulate may be the *modus vivendi* of the Company, and of the plaintiffs, who have brought it before the commercial tribunal of France. But it is not admissible that this *modus vivendi* should be brought to bear on any other person who has remained till now a stranger to it, and against whom no argument of an unfounded consent can be used.

“When, therefore, the Khedivian Company, as a local subject, demands of the Government and the Egyptian Tribunal that they shall conform to the rules of competency, recognised by all the world, and sanctioned by treaties and customs, it is the duty of the Government to satisfy this demand ; and it cannot oblige it to take the action before a foreign tribunal, radically incompetent to try it, simply

because the foreign plaintiffs have agreed to do so, and the tribunal has not officially declared itself incompetent.

“ To admit now, with respect to its judicial proceedings, the views taken by the Suez Company, would be to introduce a new custom, which you yourself, Mr. President, who know our situation, can well understand the Government cannot do.

“ To wish to force one Egyptian Company to sue another Egyptian Company in a foreign Consulate, would be to demand of the Government to do that which it is not in its power to do.

“ His Highness begs of you, Mr. President, to abandon this question, and all the interpretations that you may wish to put upon a text that is both clear and precise, and to conform yourself to the provisions of this text.

“ Moreover, Mr. President, the irregular state in which we all are living will soon disappear ; the reforms urged by you on your Government, and which at length have obtained the joint approval of all the Powers, will soon be realized ; and this present state of tension, so continuous and painful, in which both the native and foreign population are living, as well as the Government and Consulates, will shortly

disappear, and give place to a well-ordered state, to which the Suez Canal Company looks forward equally with all the world.

(Signed)

“NUBAR.”

But only a few weeks before the new duties were to come into force the Newcastle Chamber of Commerce sounded the alarm, and addressed a complaint to the English Ministry, in which it was pointed out that the increase amounted to fully 55 per cent :* while the great French steamship company, the Messageries Maritimes (who, after being “Nationales” and “Impériales,” had at last the good sense to select a title that would be independent of dynastic change) had not been slow to make substantial protests. About one vessel a week belonging to this Company passed through the Canal, and it was calculated that the new tariff would affect them by an

* Correspondence, “Canal Dues,” p. 1. The letter is dated June 8th :—“As was before explained, the Government did not seem to have understood, or at least examined, the question, for they later, through the Admiralty and Board of Trade, signified their approval, and even paid some dues on the *Bullfinch*, which had been withheld. The increase of 55 per cent. ought to have shown them that no deduction had been made for engine-room, &c., and that therefore the “gross tonnage scale” had not been adopted.

increase of from twenty to twenty-five thousand pounds a year.* On June 13th they announced that they would try the matter at law, and on the 26th of the same month the suit commenced before the Tribunal of the Seine at Paris. In a masterly judgment, delivered on October 28th, the Court declared that the increase was not authorized, and cast the Suez Company in costs. The part dealing with the capricious definition of a "ton of capacity" was as follows:—The meaning, it said, "was placed beyond doubt: this phrase, or that of 'ton of measurement,' being used indifferently at sea. The duty being named in French money, proved that what was in view was the French system of measurement then in existence—viz., that of 1837, where the legal capacity of vessels was found by a process fixed by the proper authorities, and marked on the vessels and their papers. It urged that De Lesseps himself, when at Birmingham in 1857, had announced that his tariff of 10 fr. would be 'on the *registered* tonnage,' meaning the *net* tonnage, and that he therefore had in his mind a fixed scale on the French system,

* Consul's letter, *supra*, p. 12.

which was all but the same as the English one." Before, however, this decision was given, it transpired that the Porte was induced to view favourably the demands of the Company, a fact which was not without its influence on the English Company : thus recurring to its favourite vacillation.

"The Porte," wrote Sir H. Elliot to Earl Granville on July 7th, "after carefully examining the question of the new mode of levying the Suez Canal dues, informed me confidentially this morning that they were disposed to consider that under the Firman of Concession the Canal Company would be entitled to charge the dues upon the actual gross tonnage of the ships inscribed in the books, making the same allowance for engines and coals as had been fixed by the Danube Commission, amounting, I was told, to 32 per cent. off the gross tonnage of screw-steamers, and to 37 per cent. for paddle-wheel steamers.

"I said that, in the absence of instructions from your Lordship, I did not feel authorized to pronounce any opinion on the general principle, which I had always endeavoured to keep distinct from the question of the right of the Company, on its own

authority, to put a new interpretation on a doubtful phrase of the firman, without reference to the views of the Sultan's Government, by which it was issued.

“No decision will, I believe, be come to by the Porte for a few days; but as the Company appears to have strong arguments for maintaining that it is entitled to levy certain dues upon the carrying tonnage of ships passing through the Canal, and that at present there is a large amount upon which nothing is paid, I should not feel justified in offering any opposition to the proposal of the Porte to sanction the dues being levied on the gross tonnage, with the same deduction for engines and coals as is made in the Danube, unless I receive instructions to that effect from your Lordship.”

This drew out a formal declaration of its opinions from the English Government.

“Earl Granville to Sir H. Elliot on the Claims of the Company.”

“Foreign Office, August 31st, 1872.

“Your Excellency, in your despatch of the 7th July, stated that the Porte was disposed to consider that, under the Firman of Concession, the Suez

Canal Company would be entitled to charge dues on the actual gross tonnage of the ships inscribed in the books, making the same allowance for engines and coals as had been fixed by the Danube Commission, amounting to 32 per cent. off the gross tonnage of screw steamers, and to 37 per cent. for paddle-wheel steamers.

“ The Porte, however, appeared to invite the opinion of her Majesty’s Government before finally assenting to the proposed measure.

“ Her Majesty’s Government would probably not have objected to adopt as applicable to the calculation of tonnage on the Suez Canal the principles established on the Danube.

“ It is to be observed, however, that the course which the Suez Canal Company propose to adopt is very different from any course which ever has heretofore, or is now, pursued on the Danube.

“ The process by which the Suez Canal Company propose to arrive at the amount of tonnage chargeable with duty, is stated in the published letter of the Company of the 5th July, in the following terms :—

“ ‘ The principle which has guided the Adminis-

trative Council in the adoption of the new measure consisted in subjecting each ship to a duty of 10 francs as often repeated as the ship is capable of carrying tons of goods—viz., in basing the levying conformable with the Act of Concession on the capacity of the ships. The Council, moreover, has found out that it was necessary to increase, by 30 per cent. on an average, the tonnage inserted in the official British paper, in order to arrive as closely as possible at the exact capacity of the ships. Afterwards, it has admitted that from this total tonnage an allowance of 25 per cent. should be conceded for the space occupied by the engine, &c. Now if we increase by 30 per cent. on an average the tonnage inserted in the official British papers, or gross tonnage, in order to obtain the total capacity of the ship, and if afterwards we deduct the 25 per cent. from the sum obtained, in order to allow for the space occupied by the engine, we arrive exactly at the figure expressed by the gross tonnage. It is, therefore, for the purpose of simplification that the Company has adopted the gross tonnage, after having found out that the number of tons expressed by the gross tonnage indicated as exactly as possible,

and, as a rule, the capacity to be utilized in the ships.*

“The terms of the Concession applicable to the matter in hand, while giving the Company authority to levy dues, restrict it as follows :—

“‘De ne pas excéder, pour le droit spécial de navigation, le chiffre maximum des 10 fr. par tonneau de capacité des navires et par tête de passager.’

“It seems, according to the above statement, that the Company accept the process by which the British gross tonnage is arrived at as an accurate mode of measurement of the internal capacity in space of a ship ; that they take the number of tons given by this measurement ; that they then add 30 per cent. to this number and then deduct from it 25 per cent. for engine-room. The ultimate result is to give a number of tons very near to the gross British tonnage—*e.g.*, suppose a ship to measure, by British gross measurement, 100 tons, the Company would add 30, making 130, and would then deduct one-fourth of 130—viz., 32½, leaving the number of tons on which the dues are charged 97½.

* See “State Papers,” vol. v. p. 979, sec. xvii.

“ The process of reasoning by which the Company have arrived at this result seems to be as follows :—

“ They assume that the word ‘ton,’ as used in their Concession, is a word which is to be construed according to international usage ; and they further assume that, according to this usage, it has a certain meaning—viz., that fraction of the internal capacity of a ship which is able to sustain a ton of weight ; in other words, that the aggregate tonnage is equal to the number of tons in weight which the whole internal capacity of a ship is able to carry.

“ The Company appear further to allege that in order to bring the gross British tonnage up to this standard it is necessary to add 30 per cent. to it ; and, having added this, they then deduct 25 per cent. for engine-room.

“ This reasoning seems to her Majesty’s Government to be founded on an entire misapprehension of the meaning of ‘tonnage’ as at present known to the maritime world, and to lead to consequences which would render impracticable that which her Majesty’s Government regards as a most desirable object—viz., the assimilation of the tonnage laws of different countries.

“ In England, and, so far as her Majesty’s Go-

vernment are aware, in all maritime countries, the ton, as applied to the measurement of ships, whatever its origin may have been, has long been simply an unit of space.

“ All idea of recurring to the capacity for carrying weight as a standard by which to determine it has long been abandoned in practice ; and in 1853, when the present British system of measurement was adopted, the possibility of recurring to such a standard had been carefully considered by a specially qualified Commission ; and after having been deliberately rejected by them, was also rejected by Parliament. Nor is such a standard adopted by any other nation.

“ Under these circumstances, it appears to her Majesty's Government that this standard cannot properly be made use of for determining the meaning of the word ‘tonneau’ in the Suez Canal Concession ; and that to attempt to make use of it for such purposes must lead to further difficulties.

“ Her Majesty's Government make these observations on the assumption that the constructions they have placed on the acts and statements of the Company is the correct one. But they are led by the following considerations to doubt whether the

Company are not in reality charging still more than 10 francs per gross English ton. At page 9 of M. Monsette's 'Note Complémentaire' the gross tonnage of the *Asiatic* is stated as 2121, whilst the tonnage to be charged is stated as 2160—a difference which, however small, shows that the Company assume a right of exceeding the English gross tonnage. And, again, in the published Report ('Bulletin Décadaire') of the 2nd August, 1872, it is shown that the actual receipts from thirty-four ships which passed the Canal from the 21st to the 31st July exceeded the receipts which the net tonnage would have given by 54 per cent.—an excess which appears to be more than the mere difference between gross and net British tonnage would account for. These facts make it very necessary that full explanations should be given of the course which the Company are really pursuing.

“At the same time her Majesty's Government are aware of the financial difficulties of the Company, and wish to see a liberal and fair interpretation put on the Concession made to them.

“They are also aware of the difficulties and inequalities caused by the deductions for engine-room, &c., in the English net tonnage, and by the

differing systems of different nations. Putting aside the question of amount, and putting aside also the question of the meaning of the Concession, her Majesty's Government would, as at present advised, be disposed to look favourably on the adoption of the gross British tonnage as the best standard of taxation. But they express no final or positive opinion on this point, more especially when it is considered that passenger-ships of high power and troop-ships would, according to that standard, have to pay far more in proportion to other ships than they now do, whilst they have also under the present concession to pay a tax of 10 francs per passenger; or, in other words, they have, unlike other ships, to pay for the cargo they carry as well as for the space it occupies.

“Still less can her Majesty's Government admit that the Company have, under the terms of their Concession, the right to charge 10 francs a ton upon the English gross tonnage without deduction; or that, looking to the financial position of the Company, such a charge would be fair and reasonable.

“Under these circumstances her Majesty's Government desire to know—

“1st. What is the exact charge now made by

the Company, and upon what grounds is it based.

“2nd. What is the meaning of the words ‘*tonneau de capacité des navires*’ contained in the Concession.

“3rd. By what authority that meaning is to be determined.

“4th. If the meaning is uncertain, what limit of taxation it is just and expedient to adopt, having regard to the maintenance of the Canal, and having regard also to the interests of the shipowners on the one hand, and of the creditors and shareholders on the other.

“5th. What part will the French and other Governments take in the matter.

“On the solution of these questions will depend in a great degree the course to be ultimately taken by her Majesty’s Government in the matter.

“With the information at present before them, it appears very difficult to determine what is the exact maximum which, according to the Concession, the Company are entitled to charge. The phrase ‘*capacité des navires*’ may, so far as the words go, mean either ‘capacity for carrying weight,’ ‘capacity in bulk or size,’ ‘capacity for carrying freight-earning

cargo : that is, capacity in size, after deducting for engine-room and crew-space.'

"Again, the word 'tonneau' (there being no Egyptian or Turkish tonnage) may mean either the English or the French, or any other national ton, or one of these tons in the case of the ships of one nation, and another in the case of ships of another nation ; and if it means the English ton, may mean either the gross ton, or the net or registered ton.

"As regards the standard of measurement and of taxation, her Majesty's Government have already intimated that there is much to be said in favour of adopting English gross tonnage without deductions. But if that were done the case of passenger-ships and of troop-ships would deserve special consideration.

"On the further question—What, supposing such a standard to be adopted, is the maximum rate which the Company ought to be allowed as a matter of justice to exact?—it is impossible for her Majesty's Government to form an opinion without knowing the exact financial position of the Company, their revenue from all sources, their debts and the interest upon them, their current expenditure, the

expenses necessary or desirable for permanent improvements, and their prospects.

“ Under these circumstances her Majesty’s Government can at present take no decisive step, either by objecting to the illegality or injustice of the dues now levied, or by admitting the legality and justice of those dues ; and they reserve their entire freedom of action until such time as they are in possession of full information on the various points above adverted to, and shall have ascertained the view taken of them by the Maritime Powers principally interested in the matter.

“ A further question of great importance has been raised by the recent correspondence—viz., Whether, assuming an action to be brought by a shipowner against the Company for dues alleged to be illegally levied, the jurisdiction to decide this question rests with the French Consul or with the Egyptian Courts. It appears that whilst the Company assert that it rests with the French Consul, the Egyptian Government energetically repudiate this assertion ; and that the French Government have hitherto only so far supported the Company as to express an opinion that matters should be left *in statu quo* on this point. Her Majesty’s Government can entertain no doubt

that the Egyptian Government are in the right and should be supported. If the Company is, for the purpose of jurisdiction, to be treated as French and not as Egyptian, not only will the ultimate decision of all questions as to dues rest in the hands of one European nation to the exclusion of all others, but the Canal will in effect cease to be Egyptian or Turkish, and become French. It is needless to point out the difficulties to which such a state of things would give rise.

“The conclusions to which, as at present advised, her Majesty’s Government have arrived, are as follows :—

“They cannot admit the right of the Company to place their own construction on the terms of their concession.

“They cannot admit the assumptions and process by which the Company appear to have arrived at the meaning they place on the word ‘tonneau.’

“They are of opinion that the Egyptian Government should be supported in maintaining that the Company is for the purposes of jurisdiction Egyptian, and not French.

“They are disposed to think that as a general

principle British gross tonnage is the best standard for taxation of this description. But the adoption of such a standard would, in their opinion, make it necessary to consider particular cases, and they cannot without further information express an opinion on the meaning of the concession or on the amount of dues which the Company ought in justice to levy.

“Your Excellency will therefore communicate a copy of this despatch to the Turkish Government, with reference to the statement in your commercial despatch No. 31 of the 7th July, that the Porte were inclined to apply to the Suez Canal the system enforced on the Danube; and you will invite their early attention to the matter, and request at the same time that no sanction may be given to the system now announced by the Company, which should prejudice the question at issue.”

The effect on the Peninsular and Oriental Company, the other great customer of the Canal, and the English troop-ship service, was even more extraordinary. “The dues on these vessels,” wrote the secretary, “under the original tariff would have amounted annually (exclusive of passenger tolls, towage and pilotage) to 80,141*l.*, while by the

present tariff these are raised to 133,536*l.*, also exclusive of passenger tolls.”*

On October 30th the Sultan also adopted the view of the Company “to a certain extent,” but contested its right to raise its dues on its own authority. It was also proposed to invite a conference of the Powers to settle the question.

About the middle of November arrived our projector, fresh from his defeat by the “Messageries.” His old energy and perseverance were present, though scarcely regulated by the old prudence, and it was a natural but rather exceptional spirit that now made him repudiate the authority of French tribunals and accept only that of Turkey. The former had never been favourable to him, and the latter he now learned was. With a diplomatic malice, the English Minister reminded the Vizier that only a few months before, M. de Lesseps had insisted that his Company should be subject to the authority of the French Consular Court in Egypt. “His Excellency, thanked me,” wrote the Englishman, “for having made known to him the circumstance, with which he was not previously acquainted.”

* Letter to Mr. Farrer, “Cor. Suez Dues,” p. 16.

Our projector pursued his new line of conduct, pressed the Vizier to appeal against the action of the Paris Courts in an Egyptian matter, and acknowledged in writing the right of the Porte to interpret the contract.

“November 9th, 1872.

“Before the judgment was given, I addressed to the President of the Tribunal of Commerce of the Seine, in order to cover my responsibility towards the Ottoman Government, and to put forward the rights of the case, a declaration tending to decline the competency of the Tribunal of Paris. The interpretation of the Act of Concession belonging of right to the Government, the author of such concession, it cannot in any way belong to a foreign tribunal.

“His Highness the Khedive of Egypt, to whom I communicated the document, informed me by a telegram, of which copy is annexed, that his opinion coincided with my declaration of the 20th of September, but that it was necessary that an understanding with Constantinople should be arrived at before putting it into shape.

“I hastened to appeal against the judgment of the Tribunal of the Seine to the Superior Court before

which I am about to present myself to renew my declaration of its incompetency, with a view to obtain a reversion of the previous judgment.

“ I have, consequently, to beg of your Excellency to put me in a position to rely on the support of a protest from the Ottoman Government in favour of the declaration of the Suez Canal Company, whose local seat is at Alexandria.

“ As to the grounds of dispute raised by the Company of the ‘Messageries Maritimes,’ the Suez Company will always be ready to give the Sublime Porte all necessary information with respect to the dues which it is pretended to dispute, and will abide by the decision delivered by the Government of the Ottoman Empire.

“ I have, &c.

(Signed) “ F. DE LESSEPS.”

The Turkish Ministry, finding itself *de son droit* master of the situation, now issued an explanatory note to the Ambassador at Paris, couched in severe terms, and declaring its rights in the matter.

“ Sublime Porte, December 25th, 1872.

“ The attention of the Imperial Government has been called to certain recent publications made by

the Suez Canal Company, some of which treat of the change made in levying the Canal dues, and lead to the supposition that the Porte has sanctioned this change, while others deal with the question of jurisdiction to which the Company is amenable.

“As regards the former, I will confine myself to stating that if the new method of levying the tolls had received the sovereign approval, an Imperial Firman would have notified it to the public. The truth is, that the Imperial Government has reserved to itself to come to an understanding with the other Powers on an unity of tonnage to be adopted, and also to study the question of the dues with a view to arrive at fixing a tax that will, as far as possible, give satisfaction both to the requirements of maritime commerce and to the wants of the Canal Company.

“Further, your Excellency will find annexed hereto copy of a letter in which M. de Lesseps engages, in the name of the Company, to abide by the decision that shall hereafter be arrived at on this point by the Imperial Government.

“The Imperial Government is equally bound to correct the errors contained in M. de Lesseps' letter

of the 3rd instant to Count de Rémusat on the question of jurisdiction.

“The despatch addressed by me to your Excellency under date of 15th November, and also the letter in which I communicated a copy of the same to M. de Lesseps, are so explicit as to leave no room for doubt as to the view taken by the Imperial Government with reference to the jurisdiction to which the Canal Company is amenable.

“The following, moreover, are the terms of Article 16 of the Firman in which his Imperial Majesty the Sultan has sanctioned the concession grants to the Suez Canal Company:—

“‘The Universal Suez Maritime Canal Company, being Egyptian, is governed by the laws and customs of the country. Nevertheless, in so far as concerns its constitution as a Company, and the relations of the shareholders among themselves, it is by a special Convention to be governed by the laws that regulate joint-stock companies in France. It is agreed that all disputes under this heading shall be tried in France by arbitration, with right of final appeal to the Imperial Court of Appeal at Paris, as umpire. Disputes in Egypt between the Company and individuals of any nationality whatever shall be

tried by the local tribunals in accordance with the forms sanctioned by the laws and customs of the country and by treaties. Disputes arising between the Egyptian Government and the Company shall also be tried before the local tribunals, and decided according to the laws of the country.'

"It is in placing itself at the same point of view as this Article that the Imperial Government, on becoming acquainted with the judgment pronounced by the Tribunal of the Seine in the action brought by the 'Messageries Maritimes' Company, did not hesitate to protest, not only against the competency of this Tribunal to interpret the Act of Concession, as M. de Lesseps pretends, but also because the Canal Company could not submit to such jurisdiction without violating the Firman from which it holds its Concession.

"Your Excellency can easily understand that we cannot allow it to be supposed that we shall permit the Company to withdrawn itself from a jurisdiction to which it is amenable by the first Act of a Concession in virtue of which it exists.

"In consequence the Imperial Government has requested his Highness the Khedive of Egypt to invite the Company to conform itself on all points in

its relations with third parties to the provisions of the Firman of Concession.

“The rights of the Government are too well established to be impugned by the arbitrary interpretations that one finds in M. de Lesseps’ last publications, but the doubts that they tend to create as regards the question of jurisdiction might result in exposing the public to false steps and grave inconveniences.

“Be so good, M. l’Ambassador, as to communicate this despatch to his Excellency the Minister for Foreign Affairs, and to leave him copy of the same.

“I have, &c.

(Signed) “KHALIL.”

It followed this up with an invitation to the Conference at which all the leading Maritime Powers were to assist. The law, the Sultan and Pasha, and the great shipping nations, being all opposed to him, our projector might conclude that the game had gone against him. But our projector was not to be so easily disposed of. He never forgot that he had been a diplomatist; and his first step was to encounter his opponents with a skilfully drawn up *statement of facts*.

De Lesseps had also to reckon on the active support of his own country, which, rendered sensitive by recent disasters, was determined to maintain this conflict with vigour. De Lesseps seems to have inspired this Egyptian *Politique*, for bearing in mind the important reserve made by him as to the necessity of the Turkish Government defining of its own motion the common "ton of capacity," we shall see that the French Foreign office adopted the same reserve. He knew perfectly well that if this point came under discussion the Maritime Powers would naturally apply their established Moorsom principles ; whereas the Sultan could be made to adopt the more convenient French definition. Accordingly, Count d'Harcourt, the French Ambassador at London, made the following earnest representation :—

"Memorandum of Count d'Harcourt in favour of the Canal Company."

"Since the 1st July, 1872, the Suez Maritime Canal Company has modified the basis on which the dues were levied ; it has increased the amount by deciding that the tonnage of vessels, instead of being accepted according to their official mea-

surement, shall be calculated on their utilizable capacity.

“ This decision having given rise to complaints on the part of the navigators of various countries, the question has been submitted to the Ottoman Government, which considers itself alone authorized to interpret the Act of Concession, and to decide, in consequence, if the Company can modify its tariff without violating its statutes.

“ According to information received by the French Government from Constantinople, the London Cabinet would declare itself opposed to, and would contest the right, either of the Company or of the Government from which it holds its concession, to change the basis on which the dues are levied.

“ The British Government would take its stand on the interests of its navigation, which contributes in so large a proportion to the shipping in the Canal.

“ The French Government, on its part, cannot remain indifferent to the situation of the French shareholders, who have in a great measure provided the capital for the undertaking.

“The balance of expenditure and receipts of the Canal shows a considerable yearly deficit to the prejudice of the Company.

“If this state of things were to last, the capitalists, who have opened out a new route to navigation, would be simply ruined by an enterprise from which the shipping of every nation has reaped so great advantages.

“A result of this kind would appear to the French Government to be as contrary to the principles of equity as it would be to the general interests of navigation, which are inseparable from those of the Company itself.

“It flatters itself, therefore, that the Government of the Queen has no intention of taking any steps at Constantinople of a nature to compromise the very existence of this enterprise.”

To which Lord Granville replied in this business-like fashion :—

“The French Ambassador,” he wrote to Lord Lyons on February 26th, 1873, “communicated to me to-day a memorandum, of which I enclose a copy, relating to the Suez Canal dues, adding that he was

ready to develop the matter if it would be agreeable to me.

“I informed his Excellency that the view of her Majesty’s Government was this :—It was necessary that everything should be conducted in the matter with due regularity. The Company had raised their tolls without the previous authority which we had held to be necessary. Our countrymen had been advised by us to pay these tolls under protest. There were, therefore, two questions—first, the repayment of tolls in excess of those which could be regularly levied ; secondly, the question of the rate of tolls for the future to be levied after the sanction of the Porte should have been given.

“Her Majesty’s Government were anxious to examine the second question in an impartial and judicial spirit. It was not the interest of any party that the Company should be ruined.

“I concluded by saying that I should be glad to come back to the subject on another occasion.”

Earl Granville on the Questions to be submitted to the Conference (to Sir H. Elliot).

“March 3rd, 1873.

“Her Majesty’s Government have had under

their consideration your Excellency's despatches relating to the Suez Canal dues, and have caused a careful inquiry to be made by this department and the Board of Trade into the whole subject.

“As I informed you in my despatch of the 31st of August, her Majesty's Government wish to see a liberal and fair interpretation put upon the concession made to the Company, and it is in this spirit that they have given the matter their best attention.

“In your despatch of the 20th ultimo, you state that the instructions given to you in my despatch of the 6th of December, with regard to the proposal of a conference which her Majesty's Government had been informed by you it was the intention of the Turkish Government to make, went further than had been contemplated by that Government, and that you were convinced that the Porte had no intention of inviting foreign Governments to pronounce authoritatively upon the extent of the dues to be levied.

“In my above-mentioned despatch, which was communicated to the Governments of other Maritime Powers, I had stated that her Majesty's Government are prepared to take part in a conference of the

Maritime Powers interested in the question with a view to bringing about an agreement as to the nature and extent of the dues to be levied by the Suez Canal Company under the terms of the Act of Concession, as well as to the basis upon which the tonnage measurement adopted by the Company is to be established.

“ Her Majesty’s Government had not contemplated any discussion in the Conference of the right of the Porte to fix the sum of 10 fr. per ton for the dues under the present Concession, or its right to grant a fresh Concession, but merely to determine what is meant by the expression ‘tonneau de capacité’ in the existing Concession, the result arrived at to apply to the increased dues levied since July last and to any future dues to be levied under the existing Concession.

“ Since that despatch was written the aspect of the question has, however, materially changed.

“ Her Majesty’s Government have now received a formal invitation from the Porte. In this communication the Turkish Government states ‘le désir du Gouvernement Impérial d’assurer un traitement égal à tous les navires, sans distinction de pavillon, qui fréquentent les ports de l’Empire, et les difficultés

surgies par suite de la récente modification apportée dans la perception de la taxe de navigation que paient les bâtimens traversant le Canal de Suez nous donnent la certitude qu'une démarche ayant pour but d'arriver à l'adoption d'un jaugeage uniforme serait accueilli avec faveur par les Etats maritimes le Gouvernement Impérial ne doute pas qu'une Commission de savants et d'hommes expérimentés parviendrait à trouver un mode uniforme de mesurer les navires et à fixer un tonneau-type qui servirait à la fois de base pour les transactions commerciales et pour la perception des droits auxquels est assujettie la navigation.' The Ottoman Government adds a suggestion that the Commission should meet in London or Constantinople.

"Her Majesty's Government are further informed that it is the intention of the Porte to appoint a Commission to be named by itself to inquire into certain questions connected with the change of the dues.

"There are, therefore, three points on which it remains for me to convey to you the views of her Majesty's Government :—

"1st. The proposal of the Porte for the appoint-

ment of a Commission for the purpose of establishing an uniform standard of tonnage.

“ 2nd. The course which should be pursued as to the change of dues.

“ 3rd. The question of the dues to be levied for the future.

“ Upon the first point I have to state to you that her Majesty's Government presume that it is the desire of the Porte that the Commission should be composed of Commissioners to be named by each of the Maritime Powers. Her Majesty's Government have constantly urged the importance of an uniform standard of tonnage measurement, and many countries have recently adopted the method of measuring gross tonnage in use in Great Britain. They are, therefore, glad to join in such a Commission, and are prepared at once to name Colonel Stokes, late Commissioner for the Navigation of the Danube, as her Majesty's Commissioner. The method of measuring gross tonnage would probably require little discussion, but if the Commission could decide upon the question whether any, and what, deductions should be allowed on account of engine-room or otherwise, and how, if at all, cargo-carrying spaces on deck should be measured, the result would be

most beneficial to the interests of maritime commerce.

“ You will, however, explain to the Porte that the consent of her Majesty’s Government to this Commission is accompanied with the reservation that the conclusions at which the Commission may arrive shall not become operative until they have been referred to all the Powers, and shall have been accepted by them.

“ Her Majesty’s Government consider that, under all the circumstances, it would be better that the Commission should meet in London, where the best information can be procured as to the commercial transactions and navigation dues in respect of which the Porte has proposed its appointment.

“ With regard to the course which should be pursued as to the change of dues, her Majesty’s Government entirely approve the note addressed by you to the Turkish Government on the 17th ultimo, of which a copy is enclosed in your despatch of the 20th January, in which you express the hope that before the wish of the Company for authority to increase the dues is examined, it will be called upon to return to the original charge, and to abandon a

system of which the Turkish Government has demonstrated the illegality.

“ Her Majesty’s Government hold that the exaction of these increased dues is illegal, as has been conclusively shown by the statements made by Halil Pasha to yourself and in his correspondence with Server Pasha, and they look to the Ottoman Government to enforce the authority of the Porte over the Company, and to secure the repayment with interest of the excess dues paid under protest, both by the captains of her Majesty’s ships-of-war and transports and by British subjects generally.

“ As the nature of the questions which the Commission to be appointed by the Porte is to examine has not yet been explained, I can only state to you at present that her Majesty’s Government would expect that the interests of British commerce should be duly represented at the inquiry, and they trust that the Commissioners will be persons whose judgment in such matters will command respect.

“ Her Majesty’s Government cannot, however, suppose that it can be the intention of the Porte that there should be two Commissions sitting concurrently, one to examine the measurement of tonnage for

international adoption, and the other to report upon the system of tonnage measurement to be recognised on the Suez Canal. It appears to them that the duties of the Commission nominated by the Porte could not usefully commence until the Report of the International Commission has been furnished.

“ Her Majesty’s Government do not desire to anticipate that Report, but they feel confident that it will absolutely reject the erroneous arguments and illusory calculations upon which the Company have proceeded in making the recent change in the dues. As an illustration of these, I have only to refer to the discrepancy between the calculations in the letter from M. de Lesseps and M. Courotte to Messrs. Morses and Mitchell of the 5th of July last, and those in the letter written by M. de Lesseps to Sir D. Lange on the 9th of December for communication to the Admiralty.

“ With regard to the duties to be levied for the future, it seems to her Majesty’s Government that the Turkish Government should in the first place notify distinctly to the Company that the Porte does not recognise or in any way assent to the system of levying the dues practised since July last, and that it will not authorize any change in the dues from the

scale on which they were levied at the opening of the Canal until after due examination and inquiry.

“ Her Majesty’s Government do not in the slightest degree impugn the right of the Porte to increase the dues, nor did they make any representations on the subject when authority for a temporary increase for a special purpose of 1 fr. per ton was granted to the Company in 1871. The Company is, as her Majesty’s Government consider, Egyptian, and the rights over it of the Porte are undoubted.

“ Her Majesty’s Government, however, feel confident that the Turkish Government cannot but be sensible of the equitable consideration which is due from the Porte to the great maritime interests which are concerned. By the Firman of 1866 the Porte solemnly endorsed the Concession of 1856, made by the then Viceroy of Egypt to the Company, in which the rates of dues to be levied were specified, and on the faith of which numbers of vessels have been constructed in France, England, and elsewhere, for traffic through the Canal, which has thus become one of the highways of the world, the obstruction of which, by the imposition of an excessive toll, would be an injury to commerce which her Majesty’s Government cannot believe the Porte would will-

ingly inflict, and against which every nation would be driven to protest.

“ Her Majesty’s Government accordingly consider that if the Commission to be named by the Porte should be authorized, after the basis of tonnage has been settled in the International Commission, to entertain the question of granting a fresh Firman, enabling the Company to raise the dues, the interests of the shipowners, especially in the case of passenger ships, on which even the present system presses heavily, should be fully considered ; and that the report should be made known before being finally acted on by the Porte, in order to afford an opportunity for her Majesty’s Government and the other Governments interested to furnish such observations upon it as may be proper for the consideration of the Porte.

“ A copy of this despatch will be furnished to her Majesty’s Representatives in the principal maritime countries, for communication to the Governments to which they are accredited.”

The reader will now recollect what De Lesseps had thrown out as to the necessity of the Sultan’s Government first defining a “ton of capacity.”

It will be seen how his views were adopted by the Sultan's Government.

On January, 1873, a circular was issued by the Turkish Government directed to its Ministers, declaring that there could be no doubt but that science would arrive at a uniform system of measuring vessels and could decide upon a standard ton. The idea of the conference was welcomed. But the English stipulated that the conclusion should be accepted unanimously by all the Powers, while Count de Rémusat made certain reserves.

“First of all, it seems to me necessary that before assembling the Conference the Ottoman Porte should decide whether the tax levied on vessels in the Suez Canal should be based on the utilizable tonnage, or on the official tonnage only. The dispute which has arisen between shipowners and the Company is founded entirely on the interpretation of the words ‘tonneau de capacité,’ and it really rests with the Government of the Sultan to decide as to the meaning of this expression. Until then not only would the meeting of the proposed Conference be without an object, but its mission even could not be defined, for it must necessarily vary

according as the question shall be decided either in one sense or the other.

“Should the Government of the Sultan declare that according to the sense in which it understands the terms of the Firman, the Suez Company does not exceed the limits of its tariff in taking as a basis of taxation the utilizable tonnage of a vessel, it will be necessary, unless it is thought better to decide these points by correspondence, to determine by an International Commission, first, the difference existing between the utilizable capacity of vessels and the tonnage as stated on their papers ; and secondly, the system to be adopted by the Company for calculating this difference.

“If, on the other hand, the Porte interprets the Firman in the sense of official tonnage, the assembling of this Commission, in my opinion, can have but one end in view—viz., to prepare the basis of an Act, agreed to by all the Maritime Powers, for an increase of the tariff, that the Turkish Government must then, of pressing necessity, authorize, in order that the Suez Company may meet its engagements, and continue to carry on the business of the Canal under conditions fairly remunerative.

“I will add, M. l'Ambassadeur, that if the pro-

posed Conference were to be charged with the work, as difficult as it is important, of establishing an unity of tonnage measurement, the French Government would lend it every assistance in its power. But in this case it would seem to me impossible to make the settlement of the special Suez Canal question dependent on the chance of an universal agreement between the Powers, not only on the adoption of the system that would give the truest results, but also on the question of lessening the maritime dues which will be the necessary consequence of the increase of the official tonnage."

With what logic and animation our projector could press his case will be seen from a conversation where he confronted the Turkish Vizier and dealt with him as though he were a power of equal importance. This took place on the 12th May at Pera, and De Lesseps, after having drawn up a *procès-verbal* of the interview, which was despatched to the different embassies, haughtily declared that the Dragoman who had been present would vouch for the accuracy of the report.

"*De Lesseps.* I see that you are embarrassed to summon me before the Tonnage Commission,

because this Commission, demanded by me to examine, by the hearing of all parties, the claims against the Canal tax, and prepare an interpretation of Article 17 of the Concession, is not in possession of any private complaint.

“ *The Grand Vizier*. Indeed we have not received any claim of private persons.

“ *De Lesseps*. Since there are no plaintiffs (ship-owner, merchant, or Maritime Company), have I to reply to claims proceeding from the English Government, or from any other Government?

“ *The Grand Vizier*. We have not to make a decision according to an intervention of the English Government; we have not to take account of Government claims in this question.

“ *De Lesseps*. Then there is no further examination to make, as I have no kind of complaint to confute.

“ *Grand Vizier*. But you cannot prevent the Government from examining if, in the application of your tax, you are right or wrong in acting as you have done.

“ *De Lesseps*. The Company has a contract for the execution of which 40,000 Frenchmen have spent 500,000,000 fr. I can, and I ought to prevent the

contracting Government from changing its Firman of Concession, and from distorting the contract which has bound the two parties equally. The Ottoman Government, regularly informed, according to the prescriptions of the Firman of Concession and of the Statutes, has for a year, by a tacit consent, authorized the Suez Company to put in execution the decision of the Council of Administration of the 4th of March, 1872; a judgment of an enlightened tribunal has established undeniably the rights of the French shareholders. I have only recognised the right of the Sultan to interpret the 17th Article of the contract, if there is dispute. We do not require interpretation.

“We do not solicit a second Firman, as the British Embassy has done in a note to the Porte, the résumé of which has been published by an English journal.

“In what concerns the Ottoman Government, the question is already an accomplished and accepted fact; if no claimant presents himself, I have nothing else to do than go to Egypt, where I have been long expected for business of the Canal.

“*Grand Vizier.* If, however, one wished to do

something for your advantage, would you refuse it?

“*De Lesseps*. Certainly, for this advantage being arbitrarily given could be withdrawn in the same manner: if it were a question, as I suppose, of an augmentation of tariffs, I would reject it, as I have already done some months since. It would, therefore, be dangerous for the Porte to propose it to the Sultan as a means of conciliation, and in our interest, for the Company not wishing for it, and declaring beforehand that it would be injurious to it, his Majesty would be placed in a false position, which would probably rebound on his Ministry.

“*Grand Vizier*. The Commission will examine all that.

“*De Lesseps*. After all that your Highness has just said, and after my preceding observations, I protest against the proceedings of a Commission which does not summon me, and which I had myself asked for, under certain conditions, by a letter to the Minister of Foreign Affairs, dated 30th April, 1873, in consequence of the refusal of the English Ambassador to submit the affair to the examination of the Council of State.

“If necessary, I will protest in writing, not only

against the proceedings of the Commission, but against the manner in which it has been formed, and I will deposit this protest at the French Embassy."

A few weeks later our projector was busy urging the same views on the English Envoy, with much persevering ingenuity.

"M. de Lesseps called upon me a few days ago," wrote Sir H. Elliot to Earl Granville on May 1st, "to endeavour to induce me to consent that the question of the right of the Suez Canal Company to levy their dues as they have been doing since last July should be submitted to the Council of State.

"He would not, he said, hold himself bound by a decision which the Porte should arrive at in any other way; that nothing but a '*rapport motivé*,' given after all he had to say had been heard by the Council of State and approved by the Sultan, would satisfy him.

"I replied that, what I had done was to call upon the Porte to declare the meaning which they attached to the terms of the concession they had granted; that I had not attempted to dictate to them the particular mode or the particular persons by whom the question was to be examined. He had himself said

that he would be bound by the decision of the Porte, and it was for the Sultan's Ministers to declare what that decision was.

"I told him that I had not concealed my opinion that nobody could be less calculated than the Council of State to inspire confidence in the examination of such a question as this; but there were able men belonging to it, and I should not object to their being consulted.

"The French Ambassador, who has been supporting M. de Lesseps in his endeavours to get the matter referred to the Council of State, has also asked me why I objected to it. I said my objections were founded on what I had seen of the body, and of its mode of proceeding. It was to a great extent composed of persons for whom it was wished to find some remunerative employment, but who were not considered fit for a more responsible post; not very many of them spoke French, and those who did were men in whom I could not feel as much confidence as in the Council of Ministers, which is the real executive authority of the Empire.

"I subsequently learnt from Safvet Pasha that M. de Lesseps had written to him, stating himself

ready to give up the Council of State, and to refer the question to a Commission composed of thirteen members, whom he named, which was to conduct its proceedings according to forms which he laid down ; but this attempt to impose his own Tribunal upon the Porte, and to select the members of it, has produced an effect contrary to his wishes."

On this declaration the Turkish Ministry set out its views.

Vizierial Letter from the Porte to the Khedive.

" 17 Djemazi el Oula, 1290 (July 12th, 1873).

" HIGHNESS,—As your Highness is aware, from the opening of the Suez Canal until the 1st July, 1872, the Company levied, under the title of dues for the passage of vessels through the Canal, 10 fr. for every ton registered on the ship's papers, without this levy having been confirmed by the Imperial Government.

" But from the 1st July the Company, equally without a previous authority from the Government, proceeded to levy the same tax according to the new system adopted by it for the admeasurement of vessels. This proceeding did not fail to give rise to

complaints from the Powers. The latter, as well as the Company, addressed themselves to the Imperial Government for an interpretation of the Clause of the Act of Concession, granted the 2 Rebi-el-ewel, 1272, by the Egyptian Administration to the Suez Company, and ratified by the Imperial Firman of the 2 Kilkhade, 1282, stating that the navigation due was not to exceed the maximum of 10 fr. per ton of capacity.

“ In consequence of this, and seeing the necessity of removing the existing complaints by giving an interpretation of this clause, the Council of Ministers has deliberated on this question, and has submitted it to an attentive and searching examination. Now, in qualifying, as above stated, the aforesaid Act of Concession, the Imperial Government in reality only understood the expression ‘tonneau de capacité,’ which occurred in a passage in this Act, in an absolute sense. It has in nowise had in view the tonnage registered on the ship’s papers of this or that Power.

“ In fact, vessels of every flag passing through the Canal ought, by the provisions of the Act of Concession, to be subject to an equal tax.

“ But inasmuch as the several Governments have

not yet adopted an identical tonnage system, it was necessary to make use of the expression 'tonneau de capacité' in general, in such a way that this expression could be applied to the ton, which should hereafter be adopted by all the Governments, as well as by the Imperial Government, for its shipping.

"In this order of ideas it would be natural to adopt the tonnage that would give the nearest approximation to the utilizable capacity. Now since among the official systems actually in use the system of Moorsom is evidently that which most nearly approaches it, the Sublime Porte is of opinion that the 'net tonnage,' as fixed by this system, is the one to be adopted.

"However, in the event of the Powers, or M. de Lesseps, being unwilling to continue to use this system, it would be necessary to assemble an International Commission, for the purpose of determining the utilizable capacity. It is evident that the Imperial Government cannot fix upon a definite method of measurement that has not yet been decided on and adopted by the other Governments.

"Such being the result of the deliberation of the Council of Ministers, and his Majesty, to whom the question has been submitted, having ordered it to be

acted upon accordingly, I now bring this foregoing decision to your Highness' notice, in order that you may consider the measures necessary to be taken in consequence."

The power of our projector is evidenced by this letter. The Porte, it is clear, was being pressed by two countries on the one essential point, the English requiring that the Company should return to the old tariff until the Commissioners had decided; the French backing De Lesseps. It was felt that the decision was not clear, as it was perhaps intended not to be. On this point, and in answer to remonstrances from the English Government, came the following characteristic explanation:—

"Constantinople, August 13th, 1873.

"M. L'AMBASSADEUR,—In my Circular despatch dated 19th July I communicated to your Excellency the Vizierial letter addressed to his Highness the Khedive on the subject of the Suez Canal dues.

"The observations subsequently offered by certain of the Missions at Constantinople oblige me to return to this question.

"If one refers to the terms of the above-mentioned letter one may perceive without difficulty that the

meaning of the clauses of the Act of Concession, as well as the manner in which they are to be carried out in practice by adopting the net tonnage according to the Moorsom system, are there pointed out as clearly as the state of the question permits.

“ The interpretation demanded from the Government, the author of the Concession, ought to aim at putting an end to the doubts to which the text of Article 17 had given rise. This aim is to-day obtained. The Vizierial letter will henceforth clear up the obscurity on the original text of the Concession, and it remains evident that the party not conforming to it would assume the entire responsibility of its Acts towards third parties.

“ It is well to add that the Sublime Porte is at this moment ignorant of the course that the Company will adopt, but, until it has proof to the contrary, it supposes that it does not intend to act illegally. It is not therefore in any way authorized to enter upon a discussion of the possible consequences of suppositions which hardly seem to have the character of real and actual interest. Moreover, it is established that the final solution of the question in dispute shall be left to the decisions of the

International Commission, which will shortly be convened.

“Under these circumstances, therefore, the Sublime Porte was of opinion that in order to avoid all misunderstanding, it would be sufficient to address a further letter to his Highness the Khedive in the sense of the foregoing considerations, a letter which is already in his hands, and of which I transmit herewith a translation.

“Accept, &c.

(Signed) “RASCHID.”

In the presence of this indecision the Duc de Broglie took up a firm and even haughty attitude, addressing a memorandum to the English Government in defence of his countrymen's rights.* A curious little struggle on this point here began, in which the English Minister was not successful.

“The interpretation,” wrote Lord Granville, “which the Duc de Broglie appears to give to the Vizierial letter to the Khedive of the 12th of July last, does not, however, seem to be in exact conformity with the interpretation of that document given by

* Even when ambassador, the Duke showed his dislike to this country.

the Porte to her Majesty's Ambassador at Constantinople. The Turkish Government hold that the Vizierial letter in question lays down that the Canal Company will only be legally entitled to collect the dues on the basis of the net tonnage of the ships, measured on the Moorsom system, until some other system is decided upon through an International Commission. The Turkish Government also states its unwillingness to anticipate the contingency of the Canal Company disregarding the decision of the Porte.

“Under these circumstances, and independent of the injustice, as her Majesty's Government hold, apart from the point of legality, of the proceedings of the Canal Company, her Majesty's Government cannot in any way sanction the levying of the Canal dues otherwise than on the basis of net tonnage above specified.

“The Porte has proposed that the International Commission shall assemble at Constantinople on the 15th of next month. A proper manner of considering any representations which the Suez Canal Company may wish to make will thus be speedily provided; and her Majesty's Government will be ready to consider fully and equitably any representations

which may be made on behalf of the Company. But it is obvious that it is the duty of the Company to place themselves forthwith in a position of undoubted legality. In the event of any difficulty being experienced in the matter, her Majesty's Government are of opinion that possible misunderstanding would be obviated, and the solution of a question of some embarrassment would be much facilitated, if the French Government were to advise the Company to conform its action at once to the decision of the Sultan's Government. Her Majesty's Government would be ready to instruct their delegates at the International Commission to discuss and report on, as soon as possible, any representations which may be urged on behalf of the Canal Company with reference to the question of the dues.

"I am, &c.

(Signed) "GRANVILLE."

The ingenious projector turned every step to profit. "The Sublime Porte," he wrote to Nubar Pasha, on August 16th, "having recognised that, according to Article 17 of the Concession, the Company was entitled to levy, &c., at the rate of 10 francs per ton of a vessel's utilizable capacity, and that the

author of the Act of Concession took no account whatever of the ships' papers of this or that Power, the Suez Company declares itself satisfied, and can but render homage to the spirit of justice and loyalty that dictated the interpretation of his Majesty the Sultan's Councillors."

This is admirable, but how contemptuous is the tone of what follows :

"If the Powers that complained to the Sublime Porte are not satisfied on their part, the Suez Company, without recognising their right to judge of the conditions of a reciprocal contract drawn up without their intervention or authority, is perfectly willing to admit that in the interest of a universally true tonnage, and from the point of view of general utility, they should endeavour to come to an understanding among themselves with the object of determining in an official manner, an equal, just, and true tonnage for all flags.

"This it is that the Suez Company has already done for itself by its legal decision of the 4th March, 1872, in accordance with the formal terms of its Act of Concession.

"Acting on the Report of a Commission composed of admirals, engineers, and high functionaries of the

French Government, all of them strangers to the Administration of the Canal, the Company adopted the Moorsom system, which is nothing more than a process of admeasurement, and determined by means of this system the net tonnage, that is to say, the utilizable capacity of vessels.

“It is important to observe that the net tonnage employed by the Suez Company is still below the real capacity for cargo that vessels are able to carry under the usual conditions.”

It will be seen what adroit use is here made of the admission of the Porte, who, it must be recollected, was the legal judge to decide on the question. Let the Powers settle their confused system first, and *then* come to the Company, who would see what could be done.

This view was supported by the “strong-fisted” De Broglie, with whom Lord Granville but feebly contended. In vain Lord Lyons was despatched to him, representing earnestly that, “in the opinion of her Majesty’s Government, the first step to be taken by the Company was to conform to the decision of the Porte, and thus give legality to its proceedings. I proceeded to press upon the Duc de

Broglie's attention the importance which her Majesty's Government attached to obtaining the co-operation of the French Government towards removing existing difficulties, and in particular towards inducing the Company to carry into effect the decision of the Porte, pending the proceedings of the International Commission.

"The Duc de Broglie answered that the French Government had very small means of influencing the Company, and observed that its President, M. de Lesseps, was a man of great energy and strong opinions, who would not be persuaded to give up what he held to be the rights and the interests of his great undertaking.

"M. de Broglie went on to say, that it must be remembered that the Suez Canal Company was an Egyptian, not a French Company, and that the decision of complaints against it belonged exclusively to the indigenous Egyptian tribunals. M. de Broglie added, that he was quite positive that the jurisdictions in suits brought by private persons against the Company belonged exclusively to the Egyptian tribunals, and by no means to the French Consular Courts in Egypt. He considered that this was quite as much the case now as it would be hereafter,

if the proposed judicial reform in Egypt should be carried into effect, and he had, he said, declared this distinctly to the Company.

“ M. de Broglie proceeded to observe that even if the French Government had possessed the means of enforcing the adoption of the English interpretation of the decision of the Porte, he should not have considered the case sufficiently clear to warrant him in putting any pressure upon the Company at the present moment. On the contrary, he must confess that it appeared to him that the natural construction of the communications which had been made by the Porte to the foreign Powers, was that while the Porte had commended the Moorsom system as that which in its opinion was the best, it desired if that system were objected to, either by the Powers or the Company, that the question should be decided by an International Commission. . . . In the meantime the Company must (M. de Broglie conceived) act upon its own responsibility and at its own risk (*à ses risques et périls*) ; and if private persons considered themselves to be aggrieved they must seek redress in the Egyptian Courts.

“ M. de Broglie did not admit that the remarks made verbally by Raschid Pasha to her Majesty's

Ambassador at Constantinople could determine the interpretation of the written communications formally made to Foreign Powers by the Porte.

“In speaking of the different systems of estimating the tonnage of vessels, I observed to M. de Broglie that the writer of the Memorandum sent to your Lordship by the French Chargé d’Affaires on the 15th ultimo appeared to have forgotten that the English system had been adopted by France. His Excellency replied that it was true that France had adopted this system for herself, but that this did not establish a rule for the world in general.

“At the end of the conversation M. de Broglie repeated that the cognizance of suits against the Suez Canal Company belongs to the Egyptian indigenous tribunals, and not to the French Consular Courts.”

On receipt of the report of this conversation, Lord Granville, who but a few days before “could not sanction” such view, hastened with almost obsequious alacrity to submit to the French Minister’s decision. “I have to inform your Excellency,” he wrote, on September 8th, 1873, “that I concur in the views of the Duc de Broglie with respect to the International Commission on the Suez Canal

dues, as stated in your despatch of the 3rd instant."

Not much was to be expected from a Commission where the two parties, whose views and interests were diametrically opposed, had stipulated that in case of one dissenting the finding of the Commission was to be of no account.

It must be said, however, that the English entered into the business in the most liberal spirit towards the Company. It declared that "her Majesty's Government will not object to a review of the dues both as regards standard and amount." But the Moorsom system was to be maintained, as was only reasonable.

"In case the gross tonnage without deductions should be adopted as the standard, then a deduction should be made in the maximum of 10 fr. per ton. The deduction should be so fixed as to give the Company in the aggregate an income equal to that which they would be entitled to according to the present standard, with such as may, having regard to the financial position of the Company, prove to be reasonable and necessary for the proper carrying on of its business."

Such were the instructions to Colonel Stokes and

Sir P. Francis, the English delegates. The Vizier was pressed for a declaration as to the intentions of the Porte should the Company refuse to obey the finding of the Commission or the orders of the Porte to lower their dues, when the following declaration was elicited :

Raschid Pasha stated emphatically that, if the Commission were of opinion that the Company was not justified in levying the dues on their present system, the Porte would unquestionably take measures to see that decision carried out, and he had already informed the French Chargé d'Affaires that such was his resolution.

"Upon that point he assured me," writes Sir Henry Elliot, "I might not feel the slightest doubt." Yet doubt would have been reasonable, as the "decision" was problematical, and the Porte had already declared that the Company was justified in raising its dues. There was, moreover, a coincidence in this view with the following haughty declaration made by De Lesseps to the Egyptian Minister on the eve of the assembling of the Commission :—

"M. LE MINISTRE,—Publications made by the 'Messageries Maritimes Company,' and the departure

of M. Girette (its representative) for Constantinople, allow us to foresee the attitude taken by our adversaries.

“ His Imperial Majesty the Sultan having declared that the shareholders of the Suez Company have a right to levy the Canal tax on a vessel's utilizable capacity, without taking account of the official papers of this or that nation, and his Highness having thereupon expressed his opinion that the Moorsom system of measurement is the one that allows one to determine with the greatest exactitude the real utilizable capacity, the Messageries seek to make believe that the official English tonnage is actually the result of the application of the Moorsom system.

“ I shall be much obliged by your kindly sending to his Highness the Khedive a literal reproduction of the Moorsom rules, as well as two numbers of the ‘ Bulletin de la Compagnie de Suez.’ The former contains the only known Moorsom rule for determining the net utilizable capacity of vessels; the latter publishes the letters written by the Directors of the Messageries, with some short observations on our part.

“ It follows, from calculations that cannot be disputed, that if we apply absolutely the Moorsom

system our actual receipts will be sensibly increased.

“As to the departure of M. Girette, I am of opinion that the Administration of the Suez Canal, as well as that of the Messageries, should take no notice of the deliberations of the delegates of the Maritime Powers, who are not called upon to pass judgment on the conditions of a contract made between a financial Company and the Egypto-Ottoman Government, but only to study the means of determining an universal and equitable tonnage for establishing officially by common consent, and from a scientific point of view, the utilizable capacity of a vessel.

“In this situation I think it right to beg of you to inform his Highness the Khedive, that I shall abstain from following the Messageries in the steps that they appear desirous of taking at Constantinople, keeping myself strictly to the terms of Article 17 of the contract of January 5, 1856, so loyally interpreted and explained in the Vizierial letter addressed to his Highness.

(*Signed*) “F. DE LESSEPS.”

The Commission met on October 6th, 1873, and consisted of representatives of Germany, Austria,

Belgium, Spain, France, England, Greece, Italy, Holland, Russia, Sweden, and Turkey. The spirit of French diplomacy was shown in the selection of the delegates sent. M. de Broglie had told Lord Lyons that the two selected would be the Vicomte d'Arlôt, of the French Foreign Office, and an engineer whose name he did not give. These, it might be supposed, would be persons of independent character, representing the Government, and in nowise connected with the contending parties. It would have appeared strange had the English Government sent a director of the Peninsular and Oriental Company, whose dividends were to be seriously affected by the decision. Yet the engineer whose name M. de Broglie did not give, proved to be that Rumeau, who had been president of De Lesseps' two tonnage commissions, and whose views and opinions were actually what the Commission had now to discuss! And here arises a reflection which is not unworthy the notice of the political observer—viz., that under the Empire the Eastern policy of France was of the restrained kind, and, as regards England, of even a deferential character; but that with the Republic came the renewal of the old intrigues in Turkey and Egypt,

together with a declared hostility to English interests in these countries.

The discussions, as might be imagined, led to nothing, but this country was admirably served by its delegate, Colonel Stokes, the leading spirit of the whole, and who was armed at all points. "His complete mastery of the subject," says Sir Henry Elliot, "his tact and conciliating disposition has been freely recognised by all his colleagues." He clearly influenced all the delegates, excepting the French, who withdrew at an early stage. The English delegate thus summarizes the proceedings. At the end it was his adroitness that brought the rather impracticable Rumeau and his colleague to attach their signatures.

The following is a sketch of the proceedings sent by Colonel Stokes and Sir P. Francis to Earl Granville :—

" Pera, December 31st, 1873.

"The report and *procès-verbaux* of the International Tonnage Commission having been sent to your Lordship, we think that it may be agreeable to you to receive a report from us before we separate, giving a general account of our mission, the incidents

of which have been separately, and rather disconnectedly, as well as sometimes hurriedly, reported upon during their occurrence.

“ The first meeting of the Commission, originally fixed for the 15th September, was postponed to the 1st, then to the 6th October, since which day it has, as a rule, met twice a week up to the 18th instant, when its discussions were brought to a close.

“ We entered upon our joint duties upon the 21st September. During the fortnight which intervened before the Commission met, we had the advantage of meeting many of our colleagues, of ascertaining their views, and discussing them with several of the subjects which were to engage our attention.

• “ Our first step on the assembling of the Commission was to propose for its adoption certain rules of debate which should guide and regulate its action.

“ These rules amended in discussion have proved a valuable safeguard against surprises, and have been very instrumental in bringing the Commission through some troubled debates to practical results. We feel justified in attributing to these rules a large measure of the successful issue of the Commission's labours, and submitting to your Lordship that there-

fore the three sittings spent in elaborating them were not spent in vain.

“ Our instructions at first prescribed that the general question of tonnage should, if possible, be reserved for examination in London, and that the questions relating to the Suez Canal dues should form the principal subject of inquiry. We had very early to point out that this order of inquiry was hardly possible, on account of the conflicting instructions of the different delegates, and that it did not promise to be attended with success.

“ The whole tenor of the Turkish instructions, and those of some of our colleagues, indicated the tonnage question as the principal one that was to occupy the attention of the Commission. On this subject we were able to unite a strong majority, and their decisions upon it showed unmistakably that the present mode of levying dues in the Suez Canal is irregular.

“ The French Commissioners opposed the order of the day, which engaged the Commission in this course ; but having submitted to the vote of the majority, they joined in the discussion on gross tonnage.

“ As your Lordship is aware, they subsequently

retired from taking part in the debates of the Commission on the plea that the inquiry, 'What is the utilizable capacity of a ship?' was not being pursued, and that, according to their instructions, and interpretation of those given to the Ottoman Delegates, this alone should have been the object of the Commission's researches. This might have justified their retiring from our debates at the outset of the tonnage discussion, but was no sufficient motive for withdrawing after it had gone on for three weeks, and after they had expressed a willingness to accept the tonnage decisions, if the Suez Canal question could be arranged.

"In the discussion on gross tonnage we did not attempt to go into the past history of tonnage measurement, or into the theory of Moorsom's system, which is well known from his work and other publications made in England. Our technical colleagues showed themselves thoroughly conversant with these works in their opening remarks. As it was a question of proposing the English system, Colonel Stokes invited them to lead the discussion and make the proposition. We confined ourselves principally to an exposition of the true principles on which the measurement of a ship's capacity should

be formed, and to defending Moorsom's system against the fallacious interpretation put upon it by M. de Lesseps, and by the French Delegates in the Commission. We also took our share in the general refutation of the French idea that the ton of merchandize and the ship's ton are interchangeable expressions.

"In discussing net tonnage, our aim was to limit the deductions to a few well-defined spaces, excluding, as far as possible, facilities for evading the law, and to introduce such a mode of deducting the tonnage due to engine and fuel spaces as would most nearly take account of the real space occupied by them, not unduly restrict the use of the ship, and not encourage evasion of the law, whilst at the same time it could be applied without interference with existing laws. We believe that these ends have been attained by the system recommended.

"The wish of her Majesty's Government that gross tonnage should be adopted everywhere as a basis of taxation was not neglected by us, but it met with a decided opposition in some quarters, and with no support in any. We did not, therefore, press it, and contented ourselves with making a reserve in

favour of its future adoption, when it may be found possible.

“The contention of her Majesty’s Government that the ‘net’ or ‘registered’ ton was the ton intended by the term ‘tonneau de capacité’ in the concession to the Canal Company, has been amply justified and maintained by the opinion of the great majority of the Commission; and the new term ‘utilizable capacity’ was formally declared, by the vote of the Delegates of the ten Powers out of the twelve represented, to be best expressed by the net tonnage recommended by the Commission.

“Before the Commission closed its examination of the tonnage questions, it received an invitation from the French Chargé d’Affaires, through the Turkish Minister for Foreign Affairs, to examine the difference between the official tonnage of a ship and the number of tons weight which it can carry. This demand was coupled with a threat that if it was not complied with the French Government would only treat the question in future through diplomatic channels.

“The Commission did not refuse to examine the point, but attached its own conditions. The point, however, was not further examined, but the French

Delegates did eventually re-enter the Commission and adopt its conclusions on tonnage.

“From the time that it became certain that the Commission would adopt the English law for gross tonnage, and that net tonnage in some shape derived from it, would be declared to be the basis of taxation, active efforts were made by the Delegates of certain Powers to bring about an arrangement for settling the Suez Canal question.

“Towards the end of October overtures were made to us to come to an arrangement for settling the Suez Canal question.

“The mode in which this might be effected was examined and discussed in private meetings during nearly a week. The French proposed to add to the net tonnage of every vessel an equivalent for the difference between it and the number of tons of merchandize which she can hold, and to tax this increased tonnage. We would not accept this. We then offered either to adopt gross tonnage as a basis with a proportionate decrease of the maximum, or to arrange a surtax, which should decrease as the total net tonnage should increase.

“The French Delegates would not hear of any reduction of the maximum toll of 10 francs. The

only remaining proposition, that of the surtax, became the basis of an understanding.

“Her Majesty’s Government approved of the terms of this offer, which were founded on a careful examination of the published figures of the Company. During three weeks the French Delegates made no sign: but the Commission continued to discuss the tonnage question, which was closed on the 18th November.

“The Commission then proceeded to examine into the legality of the Company’s present mode of levying dues, and distinct opinions were expressed in condemnation of it.

“Through the intervention of the Russian Delegate the negotiation for an arrangement was resumed, and the formal vote pronouncing the present system illegal, was suspended. An arrangement was then come to, of which the terms have been so recently fully stated as to make it needless to repeat them here.

“This arrangement must be carried into effect within three months.

“In conclusion, we hope that your Lordship will permit us to express our grateful acknowledgments of the support we have throughout received from his

Excellency Sir Henry Elliot, to whom, by your Lordship's directions, we have continually resorted for advice and are indebted for invaluable counsels and assistance on many occasions of grave difficulty."

Thus had the *perfidious Albion*, after apparent defeat, carried the day. The whole struggle, carried on patiently and with due moderation, was certainly creditable as a chapter of English diplomacy. But there was a Power to be now dealt with, the intrepid and indomitable projector of the Canal, who it will be recollected had announced beforehand that he declined to accept the ruling of a Commission in the matter of a private contract. Already there was some trepidation as to how the decision was to be formally communicated to him. It was a nervous task approaching the baited and baffled projector.

A Vizierial letter from the Porte to the Khedive embodying the resolutions of the Commission was drawn up, and on January 31, 1874, Colonel Stokes wrote home :—

"The Viceroy is now in possession of the Vizierial letter informing his Highness that the Porte has

adopted the recommendations of the International Tonnage Commission, and assigning a term of three months within which they must be put in force.

“ I learn from General Stanton that the Viceroy was to give M. de Lesseps notice of the Porte’s decision on the 29th instant, when the latter had audience of his Highness ; but owing to the Bairam fêtes now in progress, it has not been possible to learn what reply he made to the communication.

“ Your Lordship will receive General Stanton’s report of the Viceroy’s intended action, should M. de Lesseps refuse to comply with the decision of the Porte as conveyed to him by his Highness.

“ From this it would appear that no immediate steps will be taken in the matter. The Viceroy will demand from the Porte a more categorical order than he considers the Vizierial letter to contain. On the receipt of it his Highness will, at the end of the three months, take steps to enforce the decision of the Porte.”

Thus all had turned against our projector ; Porte, Khedive, and his Government. Submission he did

not think of, but he was willing to treat, and characteristically he submitted his terms in the shape of proposals for delay, a surtax, &c.

This representation was deemed insufficient, and on February 18th the Porte issued a circular to its representatives at Foreign Courts, announcing the decisions arrived at. The Sultan was indeed now in the position of a court at law that had given judgment, the Khedive in that of the Sheriff who was to execute the warrant. There were rumours that he might not be inclined to show sufficient alacrity in carrying out his duty. "I trust," wrote one of the English agents, "that it is conveyed to the Khedive in a form which is considered sufficiently explicit to warrant him in carrying it into execution." It shows what influence the name of De Lesseps exercised, that it should have been found necessary to meet his demurrer to the finding of the Commission by a fresh warrant to the Khedive. This however took a peremptory shape.

"I have had the honour to receive your Highness' letter dated 17th Lilhidjé, 1290, as well as M. de Lesseps' letter enclosed in it, in reply to the communication addressed to your Highness the 22nd

Zilkadé, 1290, on the subject of the labours of the International Tonnage Commission.

“In the above-mentioned letter M. de Lesseps puts forward the conditions of the proposal which he declares himself ready to submit for the adoption of the general meeting of the shareholders of the Suez Canal Company. He annexes to it certain documents which give the amount of expenses which might become necessary for the execution of certain supplementary works in the interest of navigation.

“The proposal of M. de Lesseps differing in essential points from that which had been drawn up by the International Commission, I think it necessary, in order to avoid all misunderstanding, to refer to the tenor of the communication of the 22nd Zilkadé.

“In this communication it had been established that the International Commission, in consideration of the instructions of the Sublime Porte, which M. de Lesseps himself has very favourably appreciated, had fixed, with the authority which belonged to it alone, the basis of the toll to be levied by the Canal Company. At the same time your Highness was invited to bring to the knowledge of the Company

the opinion emitted, thanks to the unanimous concurrence of the wills of the several Maritime Powers on an arrangement of a special character.

“ From that it is easy to comprehend that it would be impossible for the Sublime Porte to change upon any of these points.

“ All improvements suggested for the maintenance of the Canal may merit the attention of the Imperial Government ; but the Sublime Porte can only undertake to recommend them to the appreciation of those interested, when the question of the toll shall have first ceased to cause difficulty, and when subsequently the improvements shall have been put forward by the Company, in a manner sufficiently founded on good reasons.

“ Therefore, and in conformity with the spirit and the letter of the communication of the 22nd Zilkadé, your Highness is begged to give knowledge of what precedes to the Company, and to reiterate to it the assurance that in the event that, before the expiration of the delay of three months, it shall not have adhered to the proposed compromise, the toll on ships traversing the Canal shall be levied on the basis of 10 francs per ton according to the calculation

of the net tonnage established by the International Commission."

On March the 19th, he received notice from Cairo that the Sultan's instructions must be carried out; but it is clear there was much trepidation lest he should not obey. "You will observe, M. le Président," wrote Prince Mehemet Tewfik, soothingly, "that the Imperial Government insists on the execution of the measures adopted concerning the toll to be levied on vessels traversing the Canal, and invites his Highness to see strictly to the execution of the measure which prescribes the levying of a toll of 10 frs. per ton according to the valuation of the net tonnage established by the Commission, in the event that before the expiration of the term of three months indicated in the Vizierial letter of the 22nd Zilkadé, the Company should not have notified to his Highness its adhesion to the proposed compromise.

"His Highness, M. le Président, is persuaded that the Suez Company will itself execute the decision of the Sublime Porte, and that his Government will not see itself obliged to intervene to hold it to this execution with a high hand in conformity with the orders of the Sublime Porte."

These misgivings were to be justified. Driven to bay, our projector first flung at his persecutors the following indignant protest:—

“Cairo, March 20th, 1874.

“MONSEIGNEUR,—I have had the honour to receive your Highness’ despatch of yesterday’s date, and I have studied with the greatest attention the two Vizierial letters of the 7th March, 1874, addressed to his Highness the Khedive.

“The preceding Vizierial letter of the 22nd Zilkadé, 1290, mentioning a compromise advised by an International Commission in which the Suez Canal Company had not been called upon to participate, had seemed to us to contain a simple draft; the arrangement advised could only be called a compromise, if it was the result of an agreement between the contracting parties.

“Accordingly, I was forward to show my goodwill to enter into negotiation, and I had submitted to the Sublime Porte by the gracious intervention of his Highness the Khedive, a proposal which I considered to be sufficiently equitable to be presented to the Council of Administration of the Company and to the general meeting of the shareholders.

“ The two new Vizierial letters are to be read, no longer as a demand for negotiation, but as a formal summons to be supported, if necessary, by a Government force.

“ Consequently, I withdraw my proposal of conciliation, and I maintain in all their entirety the written rights of the shareholders of the Canal without any modification. The financial Company of the Suez Canal having of itself no other force than its right, and desiring to avoid a conflict which would be vexatious for every one, sees itself obliged to submit temporarily, but it establishes undeniably the violation of a public contract legally settled by the following article 17 of its Act of Concession, ratified by his Imperial Majesty the Sultan :—

“ ‘ To indemnify the Company for the expenses of construction, of maintenance, and of working the Canal, which are laid upon it by these presents, we authorize it from the present time, and during the whole duration of its possession, to establish and levy for passage through the Canals and ports depending on them, dues of navigation, pilotage, towage, tracking, or anchorage, according to tariffs which it may modify at any time under the express condition :—

“ ‘ 1. Of levying these dues without any exception or favour on all vessels under the same conditions.

“ ‘ 2. Of publishing the tariffs three months before putting them in force in the capitals and principal commercial ports of the countries interested.

“ ‘ 3. Of not exceeding for the special navigation due the maximum figure of 10 fr. per ton of capacity of vessels, and per head of passengers.’

“ I give herewith copy of a protest which I deposited at Constantinople the 13th of May last year, at the moment when a first attempt had been made to prejudice the rights of the Suez Canal Company. This prejudice having become to-day a fact put arbitrarily in execution in spite of the observations contained in my memorandum of the 22nd December, 1873, and in my proposal of the 31st January, 1874, I renew personally my previous protests, and answering for the shareholders who have confided to me their capital, under faith of a solemn contract, clothed with all legal formalities, I declare that I hold the Ottoman Porte responsible for all the losses which may result from the application of the tax of 10 fr. per ton, according to the inaccurate calculation of the International Commission, instead of the ton of real utilizable capacity fixed by our contract.

“ I must also consider as a second violation of contract on the part of the Sublime Porte, the necessity imposed upon us to apply the new tariff before the delay required by the Act of Concession and the Statutes for the publicity of tariff modifications ; and I make on this subject a special reserve for the damage which shall be caused to us until the moment when the Company shall have been able legally to make the necessary arrangements in order to compensate, according to the regular means, of which it will take advantage, the damage, estimated in the present state of things, at 700,000 frs. a month.

“ I beg, &c.

“ The President Director of the Universal

Company of the Suez Maritime Canal,

(*Signed*) “ DE LESSEPS.”

But after a night's reflection, he sent a declaration of the course he intended to pursue—viz., to ignore the decision altogether, and adopt a tariff of his own.

“ Ismailia, March 21st, 1874.

“ MONSEIGNEUR,—In execution of the measure imposed on the Suez Company by the Sublime Porte, under menace of the employment of force, and on the subject of which I yesterday addressed

to your Highness my protest, I have the honour to inform you that, by telegraph, I have just engaged the Company's Council of Administration, to publish the notices required by our contract in order to apply within the legal term, that is to say, on the 1st July next, the new tariff of the special navigation due according to the Danubian tonnage.

“The first and third paragraphs of Article 17 of the Act of Concession of the 5th January, 1856, contained the following prescriptions :—

“‘The Company can modify its tariffs at any time, under the express condition of publishing the tariffs three months before putting them in force, in the capitals and provincial commercial ports of the countries interested.’ Be so good, &c.

(Signed) “FERD. DE LESSEPS.”

This amounted to a demand for time. But the Porte was inflexible. After some delay an answer came declining to concede the request. Stung to frenzy by this treatment, he threw off all restraint, and in April addressed the following defiance to the authorities :—

“In reply to the communication of a telegram from the Sublime Porte of the 7th of this month, I

have the honour to declare that, after a first refusal of my proposals of negotiation or conciliation, and after a second refusal of the statutory delay for publishing the modification of tariff arbitrarily imposed, I shall oppose, in my quality of President of a universal financial company, and as French citizen, an absolute resistance to the violation of a bilateral contract accepted and fulfilled by forty thousand French shareholders. In the absence of any responsible plaintiff, and of any sentence or judgment of the Porte, the Powers have no right to interfere in our affairs when we strictly observe the terms of our contract.

“ I make my arrangements for assembling, within the legal delay, the general meeting of shareholders, to whom the present question shall be submitted intact, with the maintenance of all their rights.

“ I remit herewith copy of Article 12 of the Act of Concession of the 20th November, 1854, of Articles 14 to 22 of the Act of Concession of the 5th January, 1856, and of the Imperial Firman of the 19th March, 1866.”

There was consternation at Pera on receipt of this intelligence. Hurried telegrams were addressed

to all the Courts of Europe, and Lord Derby's advice entreated.

"You have been informed by my preceding telegram," telegraphed Raschid Pasha to M. Musurus at London, "of the protest entered by M. de Lesseps against the application, at the date fixed, of the navigation tariff of the Canal, and of the menacing attitude which he has taken, declaring his resolution to resist any measure that might be adopted.

"This fact has engaged all the attention of the Imperial Government, and as I intimated to you, the Council of Ministers, after having deliberated on it, decided to telegraph this very day to his Highness the Khedive, to authorize him, in case M. de Lesseps should persist in his refusal, to use all the means and all the force necessary to constrain M. de Lesseps to obey the injunctions of the Sublime Porte, and to insure in an efficient manner the application of the tariff in question. You know, without need of my having to tell you, that we act in this circumstance in agreement with the Powers; that we have here to deal with a question of authority, and especially to cause to be executed a decision, the legality of which has been recognised by the Governments, who are unanimous in counselling us

to employ energy in obtaining on this subject the execution of the arrangements agreed upon.

“On the other hand, according to our information, M. de Lesseps, as he shall see himself seriously called upon to obey the invitation which has been addressed to him, will push matters even to abandoning the Canal, withdrawing the administrative *personnel*, the *employés* set over the works of maintenance and others, to extinguish the lights, stopping the telegraphic communication on the Canal, which will forcibly lead to disturbance in the service, and perhaps, as a consequence, to the interruption of the navigation.

“We declare thus formally from the present moment, the grave responsibility and all the consequences which might result from it would be chargeable to M. de Lesseps and to the Council of Administration of the Canal.

“Be so good as to speak with Lord Derby on what precedes, and telegraph to me immediately his opinion on a state of affairs which is of universal interest.”*

* The nervous perplexity and trepidation conspicuous in this document is characteristic of the Turkish Government. It was clearly suffering from three sources of anxiety, afraid—first, lest

Here our projector made a false step, though a truly French one. It may be believed that he was perfectly genuine in his declaration. It is impossible, however, not to sympathize with a man who had gone through such a struggle, who had been so successful, and who was highly sensitive at the cold and hostile attitude of those who had all along opposed him, and who were now arbitrarily taking possession of his grand work, and regulating it as though it were their own. We can very well conceive the vexation and despair with which he encountered the rather high proceedings taken against him.

On this momentous day, April 16, the Khedive received an answer to his telegram, to this effect :—

“ Cairo.

“ The Council of Ministers, after having deliberated on the telegram that your Highness was good enough to address to me on the 11th of April, to transmit me the protest of M. de Lesseps against

it should appear not to obey the Commission ; second, lest the Khedive should not obey it ; third, lest De Lesseps should not obey the Khedive.

the application of the navigation tariff, has just agreed to the following resolution :—

“ ‘ In presence of the refusal of M. de Lesseps, and of the menacing attitude which he has taken against the Sublime Porte, your Highness is authorized to use all the means and all the force necessary to insure the strict application of the tariff at the appointed date.

“ ‘ In the event of M. de Lesseps abandoning the Canal, and withdrawing whilst interrupting the service, your Highness will be so good as to inform me of it by telegraph, in order that I may make known to you the decision of the Imperial Government.’ ”

It is clear that the Viceroy of Egypt did not regard matters from the agitated point of view that the advisers of his suzerain did, or perhaps felt a secret satisfaction at their embarrassment. His growing wish for independence caused their relations to be always of a rather strained sort. A week elapsed before any step was taken, when General Stone, of the Egyptian service, and chief of the staff, was sent off from Cairo with officers and troops to the Canal. Captain M'Killop, an English officer in the Egyptian naval service, was also despatched in a

frigate to Port Said in order to insure that the mouth of the Canal was kept free. The first bore a letter from the Viceroy inviting De Lesseps, we may be sure in friendly terms, to withdraw his ill-judged opposition, announcing to him that otherwise the Canal would be taken possession of, and all the employés who attempted resistance removed.

In this mortifying situation there was no resource for the high spirited projector but submission. Again it must be said, that it is impossible to withhold from him a certain amount of sympathy.

On April 26 he was at Cairo, and notified that he had yielded. He thus addressed the Viceroy :—

“ Cairo, April 26th, 1874.

“ MONSEIGNEUR,—In reply to the despatch which your Highness did me the honour to address to me yesterday, I hasten to transmit you copy of a telegram sent the same day to the administration of the Suez Canal at Paris.

“ Cairo, April 25th, 1874.

“Considering the orders given by the Porte to take possession of the Canal, and, under protest,*

* For the Protest see the Official Documents.

reserving all rights of the shareholders, our transit service will, from the 29th onward, apply the tariff of the special navigation due with surtax imposed by the Porte.

(Signed) "LESSEPS."

"Your Highness will find herewith my protest against the decision of the Ottoman Porte, in order that it may be notified to Constantinople.

"The President Director of the Universal
Company of the Suez Canal,

(Signed) "FERD. DE LESSEPS."

Such was the close of this struggle, in which our intrepid projector, though defeated, was not disgraced. Nay, it would even seem that he had almost wished to *reculer pour mieux sauter*. At least, a few days later, we find the Company levying duties under the new tariff, and putting in practice new and unlawful devices of measurement for extracting more than the law allowed them! On May the 4th, the watchful Colonel Stokes was writing to complain of the "incompressible" Company:—

"From information received from Alexandria it appears that the tariff to-day applies Moorsom net

tonnage; 14 francs if engine deductions exceed 32 per cent.; 13 francs if below; and will measure interior spaces in order to tax 13 or 14. This information tallies with that sent to your Lordship by General Stanton, to the effect that vessels are being measured and are entering their protests. I have the honour to draw your Lordship's attention to this proceeding on the part of the Suez Canal Company, as it is clearly opposed to the terms of the arrangement under which the surtax is levied and to the principles laid down by the International Commission and formally adopted by the Sublime Porte. Articles 1, 2, and 3 of the arrangement distinctly specify the course to be pursued with respect to vessels measured according to the Moorsom rule. The tax and surtax shall, under these provisions, be levied on the net register tonnage, differing according to the section of clause 23 of the Merchant Shipping Act of 1854, under which they have been measured. Article 4 provides what is to be done with vessels measured under other than the Moorsom system. All of these provisions apply only to the examination of the ship's papers and to calculations to be deduced from them. No measurement by the Company was provided for. The principles

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laid down by the Commission, which are part and parcel of their Report containing the special arrangement for the Suez Canal, are entirely opposed to this proceeding of the Canal Company. The Report says, in its sixth paragraph (page 465 of the printed correspondence, lines 22, 23) :—‘ The fixing of tonnage appertains in every country to the Sovereign Power, as one of the attributes of public authority.’ And section 2 of the considerations submitted to the Powers runs as follows (page 466, lines 39 to 43) :— ‘ § 2. This certificate of registry delivered by the competent Government authority shall be officially recognised in every country as the true basis for the application of ships’ dues and taxes. These dues and taxes shall be invariably applied to the net tonnage of a ship.’

“ By forcing every vessel, then, to undergo a fresh measurement, the Company is running counter to the terms of the arrangement and to the orders of the Sultan. M. de Lesseps is thus practically maintaining his principle that the Company has the right to determine the tonnage of each ship. But this principle is directly opposed to that above quoted, that the Sovereign Power in each country is alone competent to decide this point, and that the papers

given by its properly appointed agents shall be everywhere received without dispute."

This was only one of the points that had been left untouched or undecided by the Commission, as embarrassing or beyond their province ; and the Company recovering courage, insisted on an interpretation to their own profit. The British Government also disputed their right to reckon the soldiers in a transport ship as "passengers." However, Lord Derby handsomely declared that the Government did not wish "to add to the difficulties of the Company by demanding the suppression of this tax, which would issue from a just interpretation of the Act, especially as it is interested in the matter. The British Government did not intend to insist on this point so long as the troops of other Powers are treated on the same footing as the English troops." Subject to this reservation he was of opinion that "the toll should be paid without further protest."

This was acting in a liberal spirit ; but at the same time, there can be little doubt that the claim that a troop-ship was not to be considered a passenger ship could hardly be supported. Each soldier was certainly a passenger in the sense of enjoying the benefit of the Canal, just as he would have been

in the case of a foreign railway. At the same time it was a matter for private arrangement between the Government and the Company, who by the rule of custom in such cases ought to carry at a reduction. If the theory obtained that soldiers were not to be considered passengers, the strange result would follow that they would not fall under any category and would pass free. Again, the reserve as to other Powers being favoured, showed a curious ignorance of the terms of the concession, in which it was strictly provided that all the Powers should be treated and charged alike. Further, shipowners, now that matters had been accommodated, were clamouring for a return of the excess charges made during the last two years, and appealed to Lord Derby, who on May the 25th, was of opinion that "as British commerce has undoubtedly benefited by the opening of the Canal, and would be much injured by its failure to fulfil its engagements, it would be of doubtful advantage for British owners to press their claims for the restitution of the excess dues."

This, again, was conceived in a liberal spirit, but in the same despatch an allusion is made to a significant fact which shows what the character of the whole momentous controversy really was. After

all it was now admitted that the tax the Company had illegally charged was but "slightly in excess" of what they were now entitled to impose! For all practical purposes the Company, though apparently defeated, had been victorious, and the indomitable De Lesseps had, at a small sacrifice, nearly succeeded in obtaining legal sanction for what he had hitherto been doing without authority.

CHAPTER XVIII.

SECOND DEFEAT, 1874-5.

HAVING thus done battle with Courts and Commissions, and having been fairly worsted in the struggle, it was to be expected that our projector and his Company would have had sufficient of these agitations and have accepted their lot. This, it appears, was not to be looked for. Within two months they were setting the orders of the Commission, that is of the Viceroy, at defiance, and loud complaints were made to the English Government of vessels being stopped, remeasured by the officials of the Company, and of steamers being charged on an increased tonnage.* Nothing could be more clear than that this was illegal,† but the Company

* As in the case of the Peninsular and Oriental Company's ships, with the trifling result of increasing the tonnage by thirty tons.

† Par. 6, Sect. 2, of the Report, says :—"This Certificate of Registry, delivered by the competent Government authority, shall

coolly disregarded all protests and complaints, and continued remeasuring and recharging until it suited their interests to stop the practice. There was, indeed, the Sultan's commissioner at Port Said, appointed to see that the settlement was faithfully carried out; but as it turned out that this functionary was receiving a regular salary from the Company his interference was not likely to be of much assistance.* Nor was the Company's treatment of the claims of the English Government for the restitution of dues paid under protest before the decision less contemptuous. A sum of 2477*l.* thus overcharged was applied for, and a haughty answer received from the director of the Company. Calling it "an astounding claim," he made a counter charge declar-

be officially recognised in every country as the true basis for the application of ship's dues and taxes. These dues and taxes shall be invariably applied to the net tonnage of a ship." The Vice-regal letter of the 11th of January formally adopts these principles.

* Lord Derby took an indulgent view of this curious arrangement, saying that he certainly stood "in an anomalous position for a controller, but he is nevertheless responsible to his own Government; and as the irregularities he has to check can always be made known to the foreign Consuls, and, if he is indifferent, by them reported to their Governments, he would probably stand in fear of the Porte's displeasure."

ing that since April, "by a scandalous abuse of military force, we have been prevented from levying the dues allowed by our Act of Concession. My protest, of which I enclose a copy, maintains the rights of the shareholders; and though, by an official communication every month, his Majesty the Sultan is held responsible for the loss violently inflicted upon us, this loss nevertheless constitutes a debt for which each vessel is liable which profits *by the act of spoliation*, and derives undue benefit from the resolutions of the International Commission of Constantinople, *properly stigmatized as 'international robbery'* in a pamphlet published at Liverpool by one of her Britannic Majesty's subjects."

Another lawless proceeding was suspending the returns of tonnage passing through the Canal, so that the sliding scale fixed by the Commission could not be applied. But the case of the *Mesopotamia*, which belonged to a private firm, illustrated the arbitrary and defiant spirit in which the Company were carrying on their business. This vessel had come in collision with a dredger and done some damage, and after passing through the Canal had proceeded on her course. On her second voyage she was refused entrance until she had paid a sum

of 50*l.* for the damage. After being detained two days, and much angry discussion, the money was paid under protest, and the ship was allowed to proceed. The law agent declared that the Canal was theirs, and that they could do as they pleased with it, and added ironically, that so far from detaining the vessel "she was free to go wherever she may please, or to return whence she came, except inside the Canal." The insolence of these pretensions was not even justified by the regulations of the Company, as the only case provided for was that of running aground, when the vessel was to be got off by the officials, and at the charges of the vessel. In any case it would seem that this was merely a case to be prosecuted in a court of law, every vessel being entitled to pass through the Canal on payment of the regular tolls. As in other instances, no redress would appear to have been obtained.* No wonder that those interested began to see the hopelessness of contending with this irrepressible body, and that

* Every vessel, on paying dues, was served with a protest and claim for the amount under the old scale, couched in offensive language. Lord Derby directed that the Porte's attention should be drawn to "the objectionable wording," but of course without result.

hints were thrown out that until the Canal could be taken out of their hands by purchase and made an international enterprise these disagreeable incidents would not cease.* It was clear that no redress was to be obtained, and the English Ambassador at Vienna reported the views of a gentleman at that Court, who was well acquainted with the question, and which revealed the character of "the game" the Company was playing.

"No steps," said this gentleman to Sir A. Buchanan, "had been taken at Constantinople to enforce the resolutions of the Commission, and it was to be feared that if the Porte allowed one part of the arrangements which had been recommended by the Commission to be disregarded, they might become equally indifferent to others of more impor-

* Mr. Trevor, of the Board of Trade, seems to have been the first to have broached this view:—"The present case again illustrates what has appeared from the beginning of the discussion relating to the Suez Canal dues—viz., that complications and difficulties will be endless so long as this great highway of nations remains in the hands of a private company."—Par. Papers, "Egypt," No. 2, 1876, p. 25. It may be added here, that the account given in this section is based on the correspondence and reports furnished in the same collection, as well as in the French Yellow Book, *Affaire du Canal de Suez*.

tance. He said the Company seemed now to think of nothing but increasing the value of their stock by favourable balance-sheets, while they entirely neglected the works which ought to be carried on for maintaining a due depth of water in the Canal. Therefore, while the revenue was approaching an amount at which the Maritime Powers would be entitled to claim a diminution of the dues, the depth of the water in the Canal was diminishing, and when a reduction of the surtax would be claimed, the Company would reply that it was impossible to grant it in consequence of works which the Company would have to undertake to regain the depth of water necessary for the navigation ; and as a proof that some scheme of this kind is contemplated to defeat the recommendations of the Constantinople Commission, he had only to mention the difficulty, or rather the impossibility, of obtaining any accurate information as to the receipts of the Company.

“ After these observations, he went on to say that, as the Suez Canal had now become a necessity to the trade of the East, it would, in his opinion, be a mistake to leave it in the hands of a private association. He was ready to admit that it was almost impossible to give it an international ownership, but

it appeared to him that all the advantages of such an arrangement might be obtained if the Canal could be conveyed to the Khedive, subject to the supervision of an International Commission."

Another solution of this arrogant behaviour would appear to be that the Company felt that it would have the support of the French Republican Government. The vehement and almost unscrupulous fashion in which it had championed the interests of De Lesseps at Constantinople, notwithstanding the mortifying defeat it had encountered, might fairly encourage our projector to hope to prevail on less important points. After such a serious struggle, he might naturally have thought that the victors would be disinclined to renew the contest on comparatively trifling grounds, and that thus he might look for impunity. And he seems to have calculated aright, as the various diplomatists shrank from the trouble of restoring their concerted action, which entailed a fresh series of notes and *pourparlers*. The Porte too, as will be seen, was giving him private assurances of its goodwill, that it had acted under compulsion, &c., thus carrying out its favourite double-dealing policy. Seeing, therefore, that he

could act with impunity, he judged the moment favourable to venture on a bolder course, which was to attempt to have the work of the Commission reversed, and still further increase the charges on the vessels using the Canal. With this view he despatched his son, M. Charles de Lesseps, who was also a Vice-President of the Company, to Constantinople to negotiate the matter. And here was to begin a new chapter of diplomatic struggles, characterized by all the ingenious and tortuous incidents of Eastern policy. Nor was success unlikely. The plea put forward was the desperate condition of the Canal itself, the works of which would require a sum of nearly two millions sterling to put in proper condition. The mouth was "silting up," the piers were settling down, the curves of the channel itself dangerous. International Commissions might declare, and enforce their declarations, that only certain charges should be made ; but if these were insufficient to maintain the undertaking, or to preserve it from ruin, such interference was clearly futile. Such was the case presented, and supported by all the influence of the French Government. Their Ambassador at Constantinople pressed this

view on the irresolute Turkish Ministry. The Vizier, with characteristic duplicity, complained to him of the interference of the Powers in a matter purely administrative, and the French Minister in reply artfully reminded him that all through the discussion *he* had been the sole supporter of the rights, dignity, and independence of the Porte, and that the latter might thank itself for the result. That Government had committed two serious faults:—it had allowed a mere matter of detail to take the shape of an international question; and it had, “by a course of proceeding which I do not wish to recal now,” allowed a purely scientific and advising Commission to become a judicial tribunal, deciding on the relations between the Sultan and the Company.

The Turk seemed impressed by this view, and inclined to receive the case of the Company with favour. The Frenchman saw, however, that they were in terrible awe of the English. His Government, therefore, had judged prudent to advise its Minister to come to some arrangement with Sir Henry Elliot. There was sufficient belief in the fair play and justice of England to encourage the hope of some agreement being arrived at, while

Lord Derby had always shown himself eager to consider favourably the difficulties of the Company. Sir H. Elliot proved, therefore, highly "sympathetic" (the favourite French phrase of diplomacy), and even promised his personal support ; but he was inflexible on the point of legality, and of making the arrangement with the approbation of all the Powers. The French Ambassador could not resist asking him, how he contrived to reconcile the rather exaggerated respect that he professed for the independence of the Sultan with this perpetual attempt at controlling his free action by the other Powers. The younger De Lesseps arrived in the first week of April, to promote his scheme of raising fresh funds, which he proposed should take the shape of increased dues, or of preventing the reduction in the present rate from taking place so soon as was fixed by the Commission. He had an interview with Sir H. Elliot, who received him "sympathetically," assured him that her Majesty's Government would listen to his representations with every disposition to act fairly and liberally by the Company. There were, however, certain "reserves ;"—there must be a due regard for the interests of British shipping ; they

would require some guarantees as to the necessity and character of the new works.*

The Suez Company would certainly seem to be an admirable training school for Eastern diplomacy, as will be found from the next step. It will be recollected that loud complaints had been made for

* He received from the negotiator the following programme of the works considered necessary :—

Projected Works.

1. Improvement of the sidings—widening to 15 mètres and lengthening to 1000 mètres all the sidings on both banks—		
Between Ismailia and Port Said, 585,000 mètres at 2 fr.	1,170,000	
Kantara siding widened to 18 mètres on one side only, but lengthened to 1000 mètres ; 75,000 mètres at 4 fr.	300,000	
Between Ismailia and Suez, 443,750 mètres at 2 fr. 50 c.	1,100,375	
Creation of a double siding at the Deversoir, 240,000 mètres at 2 fr.	480,000	
		3,059,375
2. Straightening of curves—		
Straightening of the Lake Timsah curve	170,000	
Dredging for enlarging the Lake Timsah siding and the landing bridge	1,200,000	
Straightening of curves between Port Said and the Bitter Lakes	1,148,800	
Straightening of the Bitter Lakes' and Suez curves	620,000	
		3,208,800
3. Improvement of the Suez section of the Canal—		
Enlarging and straightening the bed of the Canal in the Suez section	750,000	
		750,000
4. Revetment of the banks, casing with stone—		
(1.) Between Port Said and the 60th kilomètre, 60,000 mètres at 12 fr.	720,000	
(2.) Between the 60th kilomètre and Lake Timsah, 22,500 mètres at 12 fr.	270,000	
Carried forward	990,000	7,018,175

nearly a year previously of the exactions of the Company and the charges they had imposed in defiance of the Commission. These grievances had been pressed by England and other countries, and at the time M. Charles de Lesseps arrived

Brought forward	990,000	7,018,175
(3.) Between Lake Timsah and the Bitter Lakes, 25,000 mètres at 12 fr.	300,000	
(4.) Between Chalouf and Suez, 25,000 mètres at 10 fr.	250,000	
	<u> </u>	1,540,000
5. Completion of the existing basins at Port Said and straightening the slant of the sides, 610,000 mètres at 1 fr. 50 c.	915,000	
	<u> </u>	915,000
6. Mooring posts— Establishing cast iron posts with stonework foundations round the basins at Port Said, at the sidings, and along the banks of the Canal, for mooring vessels and assisting them to float when aground	4,494,200	
	<u> </u>	4,494,200
7. Creation of new basins in accordance with the Franco- Egyptian Commission of 1866	9,720,000	
	<u> </u>	9,720,000
8. Purchase of plant for carrying out the works, 3 dredges at 700,000 fr.	2,100,000	
And 12 bearers or lighters at 200,000 fr.	2,400,000	
	<u> </u>	4,500,000
Total		28,187,375

Works not Immediately Necessary.

9. Prolongation of the jetty into waters 10 mètres deep, 15,000 mètres at 6000 fr. (contemplated in the absence of any other works which might be thought preferable for maintaining easy access to Port Said)	9,000,000	
	<u> </u>	9,000,000
10. Construction of stonework quays round the Port Said basins (estimate)—		
11. Dredging the outer port in order to enlarge the en- trance channel to 200 mètres, 2,250,000 mètres at 1 fr. 50 c.	3,375,000	
	<u> </u>	3,375,000
General Total		Fr. 40,562,375 (£1,800,000)

replies were actually forthcoming. When Sir H. Elliot waited on the Minister to receive them, he was told "that they were drawn up, and were to have been sent the following day, when it was thought *advisable to keep them back till it was seen what M. de Lesseps had to say.*" This was a most artful *coup*, the proposed advantage for the Company was actually made use of as a means to frustrate the just aims of those from whom the advantage was sought. Such dealing seems incredible. When the vacillating Safvet Pasha helplessly asked the English Ambassador what answer he would advise should be given, the latter was peremptory. "I replied that his course appeared so clear that I did not imagine that he could feel any embarrassment upon the subject; and I read to him the engagement taken by the Porte. He should state this to M. Lesseps, and say that he would communicate his proposal to the different Governments for their consideration.

"Safvet Pasha asked, whether it would not be sufficient if the proposal was submitted to their foreign representatives at Constantinople?

"I said that such a course was altogether out of the question. I did not suppose that any Minister would consider himself authorized to sanction a new

charge being laid upon the ships of his nation, and that, for myself, at least, I could answer that I should not even express an opinion upon the merits of the proposal till it had been submitted to her Majesty's Government, and had received from them the careful examination which the important British interests involved rendered imperative.

"Safvet Pasha finally told me that I might assure your Lordship that you may feel confident that the Porte will not take any step contrary to the engagement entered into."

Yet the negotiator had assured the Sultan's Government also that he would withdraw all demands against it on the ground of the accumulating losses should this concession be made. To the English he held out hopes that the vexatious remeasurement should be abandoned: and finally, he graciously promised to accept the decision of the Commission itself. The folly of these proceedings was soon shown in the hostility of those who were before inclined to be friendly. Count Beust declared in plain language that no treaty for the acceptance of the ruling of the Commission was admissible; and a damaging letter from the Secretary of the Newcastle

Chamber of Commerce, pointing out the great and increasing prosperity of the Canal, was not without effect. As he justly said, a Company whose traffic for the year was over 2,000,000 tons, and whose twenty-pound shares were at a premium of 7*l.* 10*s.*, ought to be able to borrow the necessary funds. He also pointed out the curious fact that they had not complied with the condition of the Concession in making the Canal of the specified width. When, therefore, Duke Decazes addressed a circular to his agents pressing the interests of the Company, it was not surprising that Lord Derby should answer him in the most decided fashion. On June 4th, he wrote—

“ That ever since the 29th of April, 1874, when M. de Lesseps was forced to submit to the authority of the Porte, which decreed the levying of the maximum toll of 10 fr. per ton on the net tonnage, the Canal Company has *either evaded or defied* the execution of the recommendations of the Constantinople Commission, which were equally prescribed to it by the same authority. The Company has refused to admit the official papers of vessels using the Canal, and has insisted on remeasuring them, whilst it continues to send in periodical claims upon the Sublime

Porte for the losses which it professes to suffer by the new Tariff.

“M. C. de Lesseps has now offered to the Sublime Porte to give up these illegal measurements, and to cancel these imaginary claims, on consideration of receiving permission to levy a large sum upon shipping for maintenance and improvement of the Canal. He declared that they were not inclined to buy the submission of the Canal Company to the Sultan’s authority, with the concession of its demands. Her Majesty’s Government were actuated by no unfriendly feeling towards the Canal Company.” They recognised its importance, and were anxious to maintain and improve, but they were of opinion that no proposals on the part of M. de Lesseps should be entertained until the Company had loyally submitted to the authority of the Porte by strictly conforming itself to the recommendations of the Commission. When that submission should have been frankly made, they would be ready to consider in a friendly spirit any fair proposals for the improvement of the Canal, for raising funds for the purpose.* Nor was this all. The Khedive was no less firm, when the matter came

* “Parl. Papers, Egypt,” No. 2, 1876, p. 106.

before him. He told General Stanton, that "before consenting to the imposition of the additional tax he was of opinion that a careful and impartial inquiry should be made into the question of the working expenses of the Canal to see whether it might not be possible to effect an economy in these charges, and how far M. de Lesseps' estimate for the 'dépenses obligatoires' was to be depended upon; that competent and disinterested engineers, such, for instance, as Mr. Hawkshaw, should be consulted as to the urgency or necessity of the proposed extraordinary works, and that in the event of its being considered essential to undertake these works, and to procure the funds for their execution by extending the operation of the present surtax, or by imposing a further charge on shipping making use of the Canal, that the supervision of the work should be entrusted to a Special Commission independent of the Council of Administration of the Canal Company."* It was therefore clear that the Company by its unscrupulous proceedings had succeeded in inspiring universal distrust, and that its modest proposals were received with open suspicion and even disbelief.

* "Parl. Papers," *ibid.* 104, and also p. 113.

The scheme had in fact broken down, as the French Minister for Foreign Affairs clearly saw. He was deeply mortified at this fresh defeat, and in a discussion with Lord Lyons, in reference to Lord Derby's despatch, remarked sarcastically that "he did not know why M. de Lesseps should be called upon to make what would simply be a platonic declaration of submission." This was a stupid perversion of Lord Derby's remark, and really unworthy of a statesman, for Lord Derby had excluded the idea of anything platonic by describing the character of the submission, which was to be substantiated "by strictly conforming to the recommendations of the Commission."* The Duke also suggested that the consent of the Khedive was not necessary, an argument which Lord Derby demolished triumphantly in his despatch. From the Viceroy's formal opinion it would seem that, like the other Powers, he favoured the Company's proposals, but, subject to

* Lord Derby vindicated himself with some warmth against this perversion in his despatch to Lord Lyons of July 2, 1875: "Your Excellency," he wrote, "has given so complete an answer to M. Decazes' remark, that the condition demanded of M. de Lesseps was that he should make a platonic declaration of submission, that it is scarcely necessary to add anything to it."

conditions which would test their genuineness. As he was the immediate contracting power subject to the Sultan, this would be the first step ; then the Powers would be asked for their approbation.

Thus confronted with difficulties on all sides, the baffled Company abruptly recalled its envoy, and M. Charles de Lesseps returned to Paris. The French Ambassador wrote bitterly to his Chief at Paris, "J'ai eu l'honneur de vous faire connaître les réserves et les atermoiements que le Gouvernement Ottoman avait opposé," &c. The luckless Turkish Minister was still the scapegoat ; all that Duke Decazès could do was to indite another of his lengthy circulars, in which he invited his agents to consider the question "as provisionally adjourned." This statesman was as unsuccessful, though not so combative, as his predecessors De Broglie and De Rémusat. French diplomacy had, however, to count yet one more defeat.

No sooner had the Company's envoy departed, which was in July, 1875, than the inflexible English proceeded to press the Turks to enforce their authority, and that of the Commission, on the Company, "as they considered that the moment had arrived for insisting on the discontinuance of all irregular pro-

ceedings on the part of the Company, so that M. de Lesseps may perceive that the Maritime Powers are resolved not to let the adoption of the recommendations of the Constantinople Commission become a dead letter."* The Vizier characteristically announced to all the world, through Musurus Pasha, that "as the tonnage upon which, according to the recommendations of the Commission, the dues should be levied, has not been settled in an arbitrary or one-sided manner, but has received the common sanction of all the Powers assembled in Conference, your Excellency will understand that there can be no grounds for such protests.

"Consequently the Sublime Porte, with the sole object of preventing its silence from ever being construed as a tacit recognition of the legitimacy of such protests, has *resolved to declare* to the Suez Canal Company that it considers these protests, both in regard to their substance and their form, as entirely groundless, null, and void."

This was not much, and Nubar Pasha, the Khedive's Minister, seemed no less helpless. It was easy to give directions to the Company, but they

* "Parl. Papers," *supra*, p. 124.

simply ignored them. There was besides a protest ready to hand on the jurisdiction difficulty. It would seem that when, in pursuance of the orders of the Sultan and Khedive, a formal judicial notice was handed to the Company requiring them to follow the rules of the Commission, Nubar Pasha received this rather insolent reply from the "head agent of the Canal," dated October 14: "I have received the letter which your Excellency did me the honour to address to me on the 10th instant, relative to the transmission of judicial and other documents through the local authorities; I can only confirm on all points the letter which M. Lamarre had the honour to address during my absence on the 4th of July last to his Excellency the Governor of Suez, without entering into the discussion of the question itself, and will confine myself to reminding your Excellency that it had been agreed, that until the establishment of the new tribunals no modification should be introduced into former customs.

"Now the fact of transmitting judicial documents through local authorities, and compelling us to receive them, would certainly in my opinion be a breach of the *modus vivendi* which both parties had agreed to observe. I feel sure that these expla-

nations will be satisfactory to your Excellency," &c.

The Minister was not inclined to accept this tone of address. He denied the existence of any such agreement, and added:—

"But I think that such a theory fails of itself from the very fact of its impossibility, and that it is unnecessary to discuss it.

"I will confine myself therefore to stating that the refusal of the Company to receive judicial or other documents through the medium of the local authorities is an act of which the consequences will, legally speaking, fall upon the Company.

"As far as the Government is concerned, I deem it unnecessary to tell you *that the police will carry out all sentences* which the local tribunals may pronounce in default against the Canal Company."

Here was the old favourite *tracasserie* of the Company. They were a *French* body. But again the tenacious Lord Derby intervened with characteristic firmness and plain speech.

"SIR,—I now have to state to you," he wrote to the Egyptian Consul-General on December 11th, 1875, "that, in the opinion of her Majesty's Govern-

ment, the pretension of the Company to be considered a French Company, under the jurisdiction of the French Consulate, is entirely inadmissible, and opposed both to the letter and the spirit of the contract and Firman which regulate its relations with Egypt. Article XVI. of the Convention or contract of the 22nd of February, 1866, which is textually embodied in the Firman of the 19th of March, 1866, clearly establishes that the Suez Canal Company is Egyptian. It fixes the exceptional case of suits between members of the Company as subject to French law, and therefore to be tried in France; but it specifies unmistakably that all disputes in Egypt between the Company and the Egyptian Government, or between the Company and individuals, shall be judged by the local tribunals. The Company appear to set up the argument that, because the word 'treaties' is employed in Article XVI. of the Convention, by 'the local tribunals' is meant the French Consulates. Her Majesty's Government cannot, however, admit that this by any means follows.

"On the contrary, her Majesty's Government maintain that any suit between the Suez Canal Company—that is to say, an Egyptian Com-

pany—and Europeans, must be tried according to the treaties which regulate the relations of foreigners with the inhabitants of Egypt. When, in the following clause of the Convention, disputes between the Company and the Egyptian Government are provided for, it is noteworthy that no mention is made of treaties, but that only the laws of the country are spoken of, because in that case both parties to the suit would be Egyptian.”

This was the conclusion of this chapter of intrigue, and as the question of the “purchase of the shares” immediately followed, it is to be presumed that the Company found it its interest to listen to reason and common sense. But the prospect is not encouraging for those who have become fellow shareholders with these masters in all the arts of shift and delay. It seems only too probable that where advantages are to be gained, or disputes arise, these are certain to be exerted with all the old vitality.

The really cheering feature in the whole is the admirable firmness and capability displayed by English diplomacy, the unquestionable influence it exerted on other Powers, and the series of victories it obtained. The French diplomacy has been shown

to be of the old, petty, narrow, and insincere school, and it accordingly met with deserved repulse on every occasion. To Lord Derby must certainly be awarded the praise of having acted with capability and even brilliancy, and he has given satisfactory earnest that in his hands the honour of this country is secure.

CHAPTER XIX.

PURCHASE OF THE SHARES BY ENGLAND.

ABOUT a year after the Canal was opened, it was notorious that the Canal Company was seriously pressed for money, and various rumours were abroad as to the probable fate of the undertaking. It was in the month of December, 1870, that the Khedive, who was at the time well embarked in the system of loans, speaking with Colonel Stanton, the English Consul-General, on the embarrassments of the Company, declared that the only way to make the Canal really serviceable for general navigation was that an English Company should obtain possession of it. Read by the light of the recent transaction, the meaning of this proposal would seem to be, that the Khedive wished to dispose of his shares. Lord Granville, when the conversation was reported, rather favoured the idea, consulted the Board of Trade, and desired that all the necessary information as to the state of the enterprise should be collected. The result of these

inquiries was, that the situation of the Company was desperate, and that it was on the verge of bankruptcy. Perhaps on this ground it seemed to the Board of Trade a suitable opportunity for securing a bargain.

However, when the matter was opened in April to De Lesseps by Sir Daniel Lange, his English agent, "he recoiled with aversion from the proposal, and declared that he would never be a party to the transfer of the management of the Canal into other than French hands;" yet he would not object to the introduction of a few English directors on the French board. This produced a cold letter from Lord Granville to Lange, in which it was stated that the English Government were "not prepared to give any opinion on the matter."

The next phase the matter assumed was a more developed one. In October De Lesseps proposed to the Khedive that the Canal should be purchased by the Governments of Europe, and be made international; a suggestion that the Khedive did not at all relish. It was heartily adopted by M. Thiers, and finally laid before the Porte, who in January peremptorily rejected the idea. This ultimatum was addressed to M. Musurus at London, and ran :

“January 10, 1872.

“Your Excellency will by this time have learnt the plan formed by M. de Lesseps for the sale of the Suez Canal to the European Powers and the creation of an International Administration.

“I have to day the honour to transmit to you herewith a copy of a letter and of its enclosures, which his Highness the Khedive has addressed to the Sublime Porte on this subject.

“I must, first of all, state to you, M. l'Ambassadeur, that the Sublime Porte could not admit, even in principle, the sale of the Canal or the creation of an International Administration on its own territory. On the other hand, M. de Lesseps, having only the concession of the undertaking, could never have the right of raising questions of such a nature. The Suez Canal Company is an Egyptian Company, and therefore subject to the laws and customs of the Empire. Moreover, M. de Lesseps in his contract engages not to modify the position of the Company in its relations towards the Imperial Government, and subordinates all new plans in connexion with his undertaking to the approval of the Imperial Government. Now I repeat that the Sublime Porte will never bring itself to agree to such a modification.

“As it is probable that M. de Lesseps will make overtures on this subject to the Cabinet of St. James’s, I beg your Excellency to take the first opportunity of expressing yourself categorically in the above sense to Lord Granville. On my side I have held the same language to his Excellency Sir H. Elliot.

“I have, &c.

(Signed)

“SERVER.”

Thus ended the first attempts at disposing of the Canal. To this scheme—a favourite one of Lord Derby’s—of making it an international enterprise, there would be always the inseparable objection so fairly stated in the above note. It would be impossible to give dominion over a narrow cutting of the kind, without the Lord of the soil sacrificing his territorial rights. As well might the owner of a fine house and demesne allow a right of way for carts and carriages across his lawn. If the latter were inclined to grant such a privilege to save a long circuit round, it would be a matter of courtesy and favour, and no ground for the neighbours forcing him to hand over the control of the road to them. In the case of the Khedive he could not with dignity allow of foreign control within his

dominions, and such control could only be effectual by actual possession of the territory itself.

The matter then slept till April, 1874, when in a conversation with the French Ambassador, Lord Derby threw out a curious hint as to his favourite view. "It is certain," he said to the Duc de la Rochefoucauld, "that in the present state of things, if the dues are levied to the profit of a nearly exclusively French Company, they are yet for the most part raised from English shipping." The feeling of this country with regard to the Suez Company is thus very naturally explained. "He then," adds the Envoy, "allowed me intentionally to guess his thoughts when he told me in the course of our interview, and from a purely personal point of view, that it would perhaps be desirable for the Maritime Powers to come to an understanding for the acquisition of the Canal. This hint, though expressed in very vague terms, struck me, because it completely corresponded to the feeling broached in all the English papers. By suggesting a plan which would honourably relieve the Company, Lord Derby only gave his personal opinion on a project betrayed in a certain portion of the press by the scarcely concealed hope of profiting by the ruin of the Company to buy the busi-

ness at a low price. I only noticed Lord Derby's hint in a way sufficient to show him that I understood it."

About a month latter the subject was renewed in a second conversation.

"You have been good enough," wrote the Ambassador, "to confirm the language which I held to the Principal Secretary of State in reply to his hints relative to the possible purchase of the enterprise. Assured of your assent, I seized the first opportunity of insisting anew on the necessity of putting aside from our consideration a hypothesis which in no way corresponds with the present state of things. Lord Derby made no objection, but placing himself at another point of view, he spoke to me of the danger of letting the entrance to the Canal silt up. He told me that the English engineers had some uneasiness on this point, and asked me to tell him what we ourselves thought of it. I did not fail to point out to him that the best way of preventing the silting up of the Canal was to procure the Company the means of maintaining and carrying on its works. I promised him, moreover, to inform you of the desire he had expressed to me. A question relative to the Suez affair will be put at the beginning of this week in the Upper House. It will, doubtless, afford the

Principal Secretary of State an opportunity of giving explanations."

In June accordingly, when the question was put, Lord Derby gave a cautious *exposé* of the question, no more than hinting his own views. He put aside the question of a general international purchase of the Canal on the ground that there was no sign of the vendors consenting, and he added—"There remains, it is true, the hypothesis of the Company itself offering the cession of its rights; but it seemed useless to examine such a proposition beforehand, and rather imprudent, when you want to buy a thing, to begin by declaring you cannot do without it. If a proposal to transfer the property in the Canal to an International Commission should be presented in such a manner that all the Governments shared in its advantages on equal terms, I do not say it would not be right to consider such a proposal, but it has not been made, and I have no ground for thinking that it is to be made." "On this," wrote the French Chargé d'Affaires to his Government, "as on several former occasions, Lord Derby simply repeated to the House the explanations he had already given in his private interview, and which the Embassy has reported to your Excellency. They show his whole idea

—respect, above all, of the Company's rights and property, but a desire that it should be induced to cede them voluntarily to an International Commission."

We now pass on to November 15, 1875, when a rumour reached the English Government that a combination of French capitalists were offering to buy the Khedive's shares in the Canal, and that he was so pressed for money that he was likely to agree. A telegram was at once despatched to the Canal agent in Egypt to ascertain the truth of this rumour.

It turned out that the "*Société Générale*" and the Egyptian Bank were actually treating for a loan. Colonel Stanton at once sought Nubar Pasha, the First Minister, who admitted the truth of the story, though he said that it was not likely that the Pasha entertained the idea seriously. Still he was in desperate want of a sum of from three to four millions sterling. The Consul waited on the Khedive on November 18, at nine o'clock at night, and remonstrated with him on entertaining an offer of the kind without consulting the English Government. The Eastern replied that he had never thought seriously of the matter; then artfully asked, "had the Consul any proposal to make to him." On the following day the Consul again saw Nubar Pasha,

“when his Excellency appeared anxious to impress me with the urgency of the Khedive’s need of the sum of from 3,000,000*l.* to 4,000,000*l.* sterling, and with the fact that the sum was required by the 30th instant.” But the Minister added that he was apprehensive that should the loan be concluded there was fear lest the shares might never be redeemed, and be perhaps forfeited.

This was on the 17th, and on that day this interview was reported to the English Ministry in London, and the same evening at nine o’clock a telegram was received by the Consul at Cairo to the effect that England was prepared to negotiate for the shares. He at once proceeded to the palace with the news. No wonder the Khedive seemed pleased with the intimation, “and expressed his acknowledgments for the offer made by her Majesty’s Government. He renewed the assurance that at present he had no intention of disposing of his shares, but was obliged to accept the advance offered *en hypothèque*, to enable him to make arrangements for the larger operation of the conversion of his floating debt, adding that should he change his views as to the sale of his shares, he would immediately inform her Majesty’s Government, and give them the option of

purchase, as he would much prefer seeing these shares in the possession of her Majesty's Government than in any other hands.

“In the course of this afternoon Cherif Pasha called, and renewed the assurance that the Egyptian Government, which had every reason to look upon England as its most sincere friend, would infinitely prefer seeing the Egyptian interests in the Suez Canal transferred to her than to any other country ; and he further informed me, that immediately after my visit to his Highness last evening, Nubar Pasha had in his presence suggested to the Khedive that he should call on me, and give me further explanations as to the financial situation, but that his Highness had replied there was no occasion for his doing so, as he had himself explained the matter to me, and had afterwards instructed him (Cherif Pasha) to see me on the subject.”

This holding back was of course all chicane on the part of the wily Eastern, and all these hesitations were truly Jewish.

But Lord Derby on his side was able to exhibit characteristic finesse. The French, who in all these transactions seem to have been but indifferently served by their agents, who were always late and

slow in acquiring information, had heard the rumour of the shares being likely to be acquired by a French Company, and in view of this *coup*, M. Gavard was enjoined to wait on Lord Derby to sound him as to his views on the matter. This diplomatist must have amused the English Minister, who contrived to mystify the French Envoy in a style worthy of the old school. Here is the latter's account of his interview :—

*“ The French Chargé d’Affaires in London to the
Minister for Foreign Affairs.*

“ London, Nov. 20, 1875.

“ MONSIEUR LE DUC,—According to the instructions received from your Excellency, I profited by the interview which I had this morning with Lord Derby to pass from the financial difficulties of Turkey to those of Egypt. The Principal Secretary of State told me that the Khedive was trying to mortgage his shares in the Suez Canal with the Anglo-Egyptian Bank. I then asked him if the question had not also been raised of selling their shares to the Société Générale. ‘ I do not conceal from you,’ said he, ‘ that I should see serious inconvenience in such a course. You know what my opinion

is respecting the French Company. It has run all the risks of the enterprise ; all honour is due to it, and I would not dispute any of its claims to universal recognition. But, you see, we are most interested in the Canal, since we use it more than all other nations put together. The maintenance of this thoroughfare has become a capital question for us. I should be very glad to see the time come when it would be possible to largely buy out the shareholders and replace the Company by a kind of Administration or Syndicate in which all the Maritime Powers would be represented. In any case we will do our utmost not to let an undertaking on which our chief interests depend be monopolized by foreigners. The guarantee resulting from the control of the Porte is now no longer sufficient. If we lost that offered us by the participation of the Khedive we should be absolutely at the mercy of M. de Lesseps, to whom, however, I render all justice. The Company and the French shareholders already possess 110 millions out of the 200 which the capital of the shares represents. It is enough. After some words on the subject of the Suez Canal Company, I reverted to the mortgage loan, of which Lord Derby had spoken to me. *He answered that*

he did not wish the Khedive to mortgage his shares, but that, after all, mortgaging them was not alienating them, and that they could always be recovered. In conclusion, he insisted on the bad effect which would be produced under present circumstances by the sale of the shares to a French Company, and at the same time on his desire to avoid reawakening old rivalries, which an action of this sort would be sure to provoke.

“GAVARD.”

Yet in all that Lord Derby said there were “broad hints” sufficient to give an inkling of the scheme that was in progress.*

* The French version of the conversation does not quite agree with Lord Derby's. In the latter it is stated that M. Gavard asked plainly—Would there be any objection to the purchase by a French Company, and the whole discussion turned on this view. “I told M. Gavard,” says Lord Derby, “that I would answer his question in the same frank way in which he had put it. We had to look to such safeguards as we actually possessed against the risk of the Canal being managed in a way detrimental to the general interest. Of these, the possession by the Khedive of a large interest in M. de Lesseps' Company was one. The two checks which we could bring most directly to bear upon M. de Lesseps and the administration of the Canal were the action of the Viceroy in the first place, and secondly, that of the Porte, as the Suzerain Power. Under present circumstances, it was impossible to foresee how far, in the future, the control of the Porte could be counted upon as

On the 23rd November the Khedive announced that he was willing to dispose of his 177,642 shares in the Canal to the English Government for a sum of 4,000,000*l.* General Stanton goes on with the story :—"On the morning of the 24th instant I lost no time in proceeding to the palace to inform his Highness of the acceptance of his offer to dispose of his Canal shares to her Majesty's Government. I was unable at that hour to see the Khedive ; but I informed the Minister of Finance, whom I saw in the presence of Nubar Pasha and of the Khedive's Garde des Sceaux, of the nature of the communication I had to make, and shortly afterwards received

efficacious. That of the Viceroy, therefore, became all the more important. *The Khedive, in parting with the shares which he now possessed in the Suez Canal Company, would, in my opinion, surrender an important means of influencing the measures taken by the Company and its staff, and as such we could not look upon such a transaction with indifference.* We should certainly be opposed to these shares falling into the hands of another French Company, so as to make the property in the Canal more French than it already was. To any arrangement for mortgaging the shares merely as a security for an advance, provided the Khedive had full power to redeem them at any moment by payment of the loan, the same objections possibly might not hold good." The *mot* to the enigma conveyed in the passage in italics was, of course, that in such a case the English were to take the place of the Pasha.

the assurance that the terms were agreed to. Being, however, anxious to prevent any misunderstanding on the subject, and also to prevent the possibility of any successful intrigue interfering with the arrangement, I told the Minister I would draw up an agreement for signature, specifying the terms of the engagement entered into." Then follows a characteristic trait :—" Before leaving the palace, however, Nubar Pasha had told me that he believed the number of shares in the Khedive's possession did not quite tally with the number specified by your Lordship, as a few of the shares had been disposed of in Paris some ten or twelve years since. I therefore left a blank in the agreement to be filled up when the actual number of shares in his Highness' possession should be ascertained; and when, shortly afterwards, the Minister of Finance informed me that the shares were 176,602 in number instead of 177,642, as specified by your Lordship, I provided that the value of the 1040 shares short of the last-named number should be deducted from the amount agreed to be paid by her Majesty's Government.

"I also, as your Lordship will perceive, stipulated that the five per cent. interest to be paid by the Egyptian Government to her Majesty's Govern-

ment until the coupons were liberated from the existing engagement with the Canal Company, should be charged on the revenues of Egypt, and the amount paid in London by equal half-yearly payments of 100,000*l.* on the 1st of June and 1st of December of each year.

“Yesterday morning the Egyptian Government sent me seven large cases containing the shares in question, which cases (having previously verified the fact that they contained Suez Canal shares) I caused to be fastened up and corded in my presence, and then sealed with the seals of the Egyptian Minister of Finance, her Majesty’s Agency and Consulate-General, and of the Consular Court for Cairo, leaving the verification of the numbers until I had received further instructions from your Lordship, and I gave the Egyptian Government a receipt for the seven cases, which are now deposited in her Majesty’s Consulate in this town, pending the receipt of instructions for their disposal.”

On the 25th the agreement was signed with the Khedive.* On the same day an arrangement was made with Messrs. Rothschild to find a million ster-

* See “Official Documents.”

ling by December 1st, and the remaining three millions in the months of January and February. They were to receive a commission of $2\frac{1}{2}$ per cent., also five per cent. till the whole was repaid by a vote of the English Parliament.*

On the 27th, after all these transactions had been concluded, the French Ambassador was despatched to wait on Lord Derby and obtain what information or satisfaction he could.

“I come from Lord Derby,” he wrote to his chief, “to whom I expressed the desire which I felt for knowing from his own mouth what had decided England to buy the Khedive’s shares in the Suez Company. This is the substance of Lord Derby’s reply:—‘It was only at the beginning of the week that we knew the intentions and need of the Khedive to sell his shares. My wish, and I expressed it, was that he should keep them. But, on the one hand, he had urgent need of obtaining resources for repayments which admitted of no delay, and, on the other hand, we knew that negotiations were going on between the Société Générale and the Egyptian Government for the acquisition of

* See “Official Documents.”

those same shares. Therefore, we had either to allow the scrip to pass into other hands or to buy it ourselves. I can assure you that we have acted solely with the intention of preventing a larger foreign influence from preponderating in a matter so important to us. We have the greatest consideration for M. de Lesseps. We acknowledge that, instead of opposing him in his great work, we should have done better to associate ourselves with him. I deny, on behalf of my colleagues and myself, any intention of predominating in the deliberations of the Company, or of abusing our recent acquisition to force its decisions. What we have done is purely defensive. I do not think, moreover, that the Government and English subjects are proprietors of the majority of shares. I said some time ago in the House of Lords that I would not oppose an arrangement which would place the Suez Canal under the management of an international syndicate. I will not propose this, but I in no way withdraw my words.'''*

* Again it must be said that the French diplomatists do not fully report the substance of their interviews. According to Lord Derby, the Ambassador declared that the act would have had less political significance if done through some Company, or otherwise

Some apprehensions might now reasonably be felt as to how the projector would accept the transaction, for he really seemed more of a "Power" to be confronted than the nation to which he belonged. Every one was relieved to find that he accepted the new shareholders graciously, and he ingeniously put the reception on the ground that at the formation of the Company, he had set apart "an important share in the subscriptions" for the English, which they did not then think proper to accept.

"At that period France and Egypt rendered the cutting of the Canal feasible by their contributions. The shares were almost entirely taken up by the French public and the Egyptian Government.

not directly in the name of the State—a shrewd observation in its way. To which Lord Derby replied, it was not in the power of the British Government to act as Continental Governments can do—through third parties, banks, financial companies, or the like. "What they do, they must do openly and in their own name, so that Parliament may be enabled to judge of the whole transaction. Again the Ambassador made another sensible objection, that some fear would be felt that the Khedive might be unable to pay his promised 200,000*l.* a year, and that in consequence this country would use some means to coerce him, which would practically establish English authority in Egypt. I assured him that nothing was further from our thoughts; that her Majesty's Government desired that the passage through Egypt should be free for this country, as for the rest of the world, and desired nothing more."

“The British Government, which had no financial interest in the success of the undertaking, placed many difficulties in the way of its completion, and until quite lately the intervention of English agents had an injurious effect upon the private interests of Egyptian and French shareholders.

“The English nation now accepts that share in the Canal Company which had been loyally reserved to her from the outset; and if this action is to have any effect, that effect, in my opinion, can only be the abandonment by the British Government of the long-standing attitude of hostility towards the interests of the original shareholders of the Maritime Canal, whose perseverance has been at once so active and so well directed.

“I therefore look upon the close community of interests about to be established between French and English capital, for the purely industrial and necessarily peaceful working of the Universal Maritime Canal, as a most fortunate occurrence.

“I shall feel obliged if you will communicate the contents of this letter to such of our shareholders as may apply to you for my opinion on the subject.”

This is quite in keeping with the haughty and almost sovereign-like tone which he assumed from

the very beginning ; and here may be suggested one of the many elements which the hasty character of the purchase prevented the investigation of—viz., the impossibility of attempting to control a man of such spirit and determination. This inconvenience, however, in the nature of things could not be for long.

The character of the impecunious Khedive was now to be illustrated in a singular way. Within two days of the signing of the agreement it occurred to him that he might extract a further sum from the rich English.

“His Highness mentioned to me,” wrote Colonel Stanton, “that offers were being made to him for the purchase of the right of the Egyptian Government to the 15 per cent. of the net revenue of the Suez Canal, specified in the Act of Concession granted to that Company, and his Highness begged me to mention the matter to your Lordship, in the belief that it might perhaps suit her Majesty’s Government to become the possessors of this right, in addition to the shares just purchased, as it would, in his opinion, carry with it a greater power of control over the Company than the possession of the shares would entail.

“The Khedive added that overtures on the sub-

ject of disposing of this right were made to him during the last winter, when he was informed that a sum of between 30,000,000 and 40,000,000 francs might be obtained by him on this property ; that he had then declined to consider the proposal, but that under existing circumstances he was disposed to agree to an arrangement of that nature.

“ I told his Highness that I could give no opinion as to what the views of her Majesty’s Government might be on the subject, that the transaction, although doubtless of considerable importance, appeared to me rather too much in the nature of a financial speculation to be likely to be favourably considered ; but I undertook to lay the matter before your Lordship.

“ To-day both Nubar and Cherif Pashas have spoken to me on the subject, and the latter especially endeavoured to impress me with the importance of the matter.”

Lord Derby in the meantime had heard that the French Government were inclined to make this purchase, no doubt as a *contre coup*. It was not bad *tactique*, writing to inform the French Ambassador of the offer just made, and of his disinclination to

entertain it. On December 6th the offer was declined in these stern terms :—

“ You will remind his Highness, in courteous terms, that the 5 per cent. interest on the purchase money of the Suez Canal shares so long as the interest on the coupons remains hypothecated, which has been guaranteed to her Majesty’s Government on the revenues of Egypt, as provided in the contract signed by you on the 25th ultimo, forms a primary charge on the revenues of Egypt. You will, moreover, explain that her Majesty’s Government would regard as a violation of the Firman of the Porte, and as inconsistent with the integrity of the Ottoman Empire, any act of the Khedive dispossessing himself in any manner of the control over the Suez Canal, which has been secured to his Highness by the Company’s Concessions and Statutes, and which has been confirmed by the Porte. Her Majesty’s Government must not be understood as acquiescing in such a course, although, on the present occasion, they do not raise objection to the proposed sale of the Khedive’s right to 15 per cent. on the net profits of the Canal.”

Here were the symptoms of embarrassment. It

was seen that there was no special security provided for the interest ; but this defect could not be cured by a reminder that it formed "a primary charge;" there being nothing of the kind expressed in the bond. More mysterious still is the warning to the Khedive not to dispossess himself of his control over the Canal. This, of course, could not refer to the sale of the 15 per cent., as to that they did not raise objection, nor to the international arrangement which Lord Derby favoured. It must have been, therefore, some scheme proposed by the French for obtaining the control of the Canal.

When the Consul waited on the Khedive to inform him that his offers were declined, and to give this warning, he very naturally replied that the sale of this right was purely a financial transaction, which could not in any way diminish the power of control over the Canal secured to him by the Concession. As Mr. Cave was coming out to put his finances in order, the Khedive was further warned that he had better not enter into transactions of the kind until the investigation was concluded. The Khedive very good humouredly assented to this reasoning, and gave the promise required.

It might seem unreasonable that after having

made so large a purchase themselves, the English should object to a sale of a smaller amount to another country. But it turned out that this offer came from De Lesseps and the Company, and this seemed something approaching an emancipation from the control of the Khedive. Lord Derby was consistent, as he told the French Ambassador the design of the purchase had been to prevent the shares getting into French hands. But the answer of the Khedive was well-founded, and the distinction goes to the root of the whole character of the English purchase. It should be kept in mind that the taking of shares by that potentate was not an essential element in the original formation of the Company, and it amounted to little more than a sign of friendly co-operation and a hope of profits; just as an influential landowner takes shares in a railway passing through his property. The real interest of the Khedive is indissoluble from his rights as a Sovereign over the country through which the Canal passes; his rights are the same as those he has over the Railway from Alexandria to Suez. These rights it will be impossible to defeat in any way. No international arrangement, no ingenuity therefore, can give the new purchasers any

higher status than that of ordinary shareholders in the Canal, who in case of any grievance cannot invoke the interference of Government, but must proceed before tribunals, and according to the forms provided for ordinary shareholders. This is necessary to be borne in view, as there is an impression abroad that some kind of hazy Sovereign rights have been obtained. In this view also it should be remembered that the Porte asserts, and has always asserted, its supremacy, and insisted on the distinction between the political rights associated with the Canal which it reserved to itself, and the purely commercial ones. It was idle therefore warning the Khedive against divesting himself of the control of the undertaking. As it was, the Porte on hearing of the transaction, sent to demand an explanation, which was furnished :—

“Your Highness is aware that at the time of the constitution of the Canal Company part of the shares were subscribed by the Egyptian Treasury. Up to the present time these shares have never been in any respect or in any manner of the slightest use to the Government, and were, to my great regret, a heavy burthen upon the Treasury. Certain

bankers made proposals for the purchase of these shares ; while this sale was being negotiated, the English Government manifested the wish to acquire them on much more advantageous terms, and as these shares are similar to the shares of other companies which are bought and sold daily, the Egyptian Government has sold them to the English Government, and has thus made a profit on the shares, which were their property, and, as has been said above, were never of any use to them. It is thus that the transaction took place."

By the rest of Europe the purchase was received favourably, Prince Bismarck being expressly complimentary in his congratulations. On Jan. 1, 1876, four zinc cases containing the shares were unshipped from the *Malabar*, and deposited in the Bank of England "to the orders of the Chancellor of the Exchequer and Baron Rothschild," and thus the English Government became a shareholder in the Suez Canal.

Little more remains to be told. The transaction was vehemently discussed by the country, objections of every possible kind were raised. The sense of the nation was unmistakably that the act was

spirited, valuable as a significant hint to show that the nation was ready to protect its Indian interests. On a calm examination of the whole more than this cannot be looked for, and indeed more is not expected. There is an almost certain prospect of secure interest for the outlay, and there is an undercurrent of belief that the shares will somehow secure the right of passage to India. But in this view the ownership of the shares is simply surplusage, as the right of way to India would have been claimed and asserted on broader and higher grounds. Were there any attempt at barring the passage, the plea of owning nearly 200,000 shares would not be the one that would be listened to, nor indeed be the one that England would put forward. By the terms of the Concession it must be borne in mind that it is to be kept open for all nations so long as the toll is paid.

But there is another view not to be lost sight of. The Canal has been allowed to fall into disrepair, and the entrance at Port Said, which is the vital point of the whole, seems to be in a critical state.* Great sums will have to be expended on

* The following is Lieutenant Millard's "Report," before alluded to, and made a twelvemonth ago :—

"The western breakwater having so far subsided as to be only

thorough and substantial repairs. These England may have to supply or guarantee, and thus acquire a fresh stake in the Canal. But besides this there will be a gravitation almost irresistible towards the control

just above water, and in many places covered, necessitated the speedy removal of the same, to effect which a canal was dredged on its eastern edge to a depth of 11 and 12 feet, to admit of the floating crane approaching close to it for placing the line of double blocks of concrete. That part of the west breakwater which has been extended 300 metres during the last twenty months, was, on the 25th of January, 1875, above water, but each successive gale caused it to sink considerably. On the 26th of March parts of it were awash, and others submerged for 3 and 4 feet.

“During westerly gales, when the whole volume of the waters to the depth of 27 feet is in violent commotion, and seething waves heap one on another towards the head of the bight near the high lighthouse, producing a sea in state of ebullition, occasionally relieved by rollers more heavy and intense than others rushing over the sand flats and into the Canal, taking large quantities of sand in their course; it is under these circumstances the open work of the breakwater, caused by the 12 feet canal before alluded to, plays its beneficial part by permitting the seas to burst through the sinuosities of the concrete blocks, and relieving in great part the current, for if the whole length of the breakwater had on its inner side a solid backing, the destructive under-scour and consequent undermining would probably cause the annihilation of the whole structure; as it is, a very serious and pernicious under-current does take place. The chart of Port Said shows a cutting of 35 feet, extending 300 yards from the extreme of the breakwater, and on the line of its direction, and the effect of this under-current can be traced for some considerable distance, throwing off

of England, for this channel is but a section of the great road to India, which is virtually under the control of this country. Gibraltar, Aden, Perim—all these are halting-places on foreign ground, and the result may be as in the case of some obscure small link of railway which is almost forcibly absorbed by the greater lines that touch it.

Lord Derby, in all the discussions, took a homely, practical view of the matter. He declared, as he did to the French Ambassador, that the step was simply defensive, and to prevent France having too strong an interest in the Canal. "There was no deep-laid scheme," he said at Edinburgh, "in the matter. We have stated what we want and why we want it, and Europe is accustomed to believe what

the sand and mud taken with it to the right and left, the latter being more determined in its bank-forming aspect through meeting with opposing elements; the former, or to the eastward, is more uniform (though no less an evil), from having the rolling seas and current favourable for further dispersion.

"The heavy seas that wash along the coast flooding the flat sands adjacent to the towns (even to surrounding the houses near the English Consulate), send into the Canal between the high lighthouse and the Pratique Office large quantities of sand, which are held in suspension until thrown down in the harbour."

we say." This declaration reduces the grounds of purchase to a low level. For in this view it might have failed, since it has been shown that the Khedive was on the point of parting with his remaining shares to the French, thus reducing the value of the counterpoise. These shares are certain to be in the market, and, speculative as they are, ought to be secured by this country. On February 14th Parliament met, when the Chancellor of the Exchequer, Sir Stafford Northcote, submitted the proceeding for the approbation of the House in a long statement, but an adjournment was pressed for on the ground that all the reports, &c., were not before the House. These were promised, and on February 21st the debate was resumed, it being understood that an attack was to be made on the purchase, based on the material furnished by these papers. Mr. Lowe and Mr. Gladstone led the attack, but their speeches were ineffective, and, Mr. Lowe's particularly, unworthy of the question; his arguments turning on matters of petty detail, the large percentage allowed to the bankers, &c., being led to make the unfortunate allusion that in settling the Alabama indemnity he paid a far less commission.

The result was that the vote was agreed to without a division.*

* Within a few days Mr. Gladstone issued what he styled "a syllabus" of questions or objections. After asking whether there was any precedent of such an arrangement being made with a private firm, and whether they could deny that large speculations had not been made in Egyptian stocks in consequence, he proceeds :—

"3. On what principle was fixed the sum of $2\frac{1}{2}$ per cent. together with the accruing interest at 5 per cent., which was granted to Messrs. Rothschild, and which amounted probably to a rate of not less than 15 per cent. per annum on the money given for the shares?

"4. Do her Majesty's Government believe that neither the Bank of England nor any other commercial house would have transacted the business at a lower charge?

"5. What were the new evils which the Government apprehended would follow from the acquisition of the shares by a foreign or French company?

"6. When the Khedive proposed a temporary advance, instead of a sale, was it impossible to make a more limited and temporary arrangement on this basis, and why was it set aside to substitute the plan of purchase?

"7. Would it not have had the effect of presenting the matter to the more free judgment of Parliament, and of enabling the Government to make overtures during the interval for the international arrangement which they have declared to be so desirable?

"8. What reasons have led the Government to commit Parliament and the country to this large expenditure, and yet to refuse to take further measures which were proposed by the Khedive, with the assurance that they would thereby acquire a more real and effective control over the Canal?

"9. What is the distinction between our shares, which can have no dividend for 19 years, and the 15 per cent. shares, which are

As these closing lines are written, we hear of harmonious arrangements between the projector of the

likely to obtain it at a very much earlier date, that makes the present transaction fit and safe, and the rejected one unfit because speculative (see "Papers," I. 14)?

"10. Can the Government assure us there is no risk or expectation that they will have to enter into further transactions and fresh outlay, as necessary consequences of the present purchase?

"11. Can the object of the purchase, declared by the Foreign Minister to be additional security for the passage to India, be obtained in any other way than by effective control over the Canal?

"12. Can that effective control be had by action within the Company itself, except either by a preponderance of votes or by an identity of interests with the mass of the shareholders?

"13. As we have only ten votes, and those disputed, in the face of many hundreds or some thousands, have we that identity of interests?

"14. Is not the interests of the shareholders generally for the next 19 years in profits and in dividends, and is not the interest of her Majesty's Government, on the contrary, in liberal expenditure and in improvements, without any reference to dividends or profits?

"15. Is there not a risk that when our representatives on the Council plead for more liberal management and larger improvements, the answer will be 'Yes, but not at our expense; you shall have them if you will pay for them?'

"16. If for these ends we are to enter into unremunerative outlay, will not the upshot be that we shall come to subsidize a particular portion of our trade at the expense of the general taxpayer of the country?

"17. Whereas we had a complete identity of interest with the other Maritime Powers, and led and represented them in all trans-

Canal and the English representative, Colonel Stokes, his old determined foe and victor in the

actions, and were thus able to enforce through the local Governments their just demands upon the Company, what security have we for still enjoying their support and confidence now that we have established an interest separate from theirs?

“ 18. What assurance have the Government, after all that has been said of the political intentions and character of the measure, that we shall not be open to the suspicion of having views of territorial aggression, and that we may not lose much of the influence and moral strength which hitherto have attached to our position?

“ 19. Has the Government well considered whether they give by this measure a handle to any State having hostile views to work against us in the East through the Egyptian or the Turkish authorities?

“ 20. As our right to the possession of ten votes has not been established, if it should be contested, will it have to be decided by a suit between the Queen and the Company in a French court of justice, or in what other manner?

“ 21. Whether the four millions form, as stated by the Foreign Secretary (“Papers,” I. 16), ‘a primary charge on the revenues of Egypt,’ or, as in the contract signed for us by General Stanton, ‘shall be charged on the revenues of Egypt?’

“ 22. If the charge is not preferential, what is our security for the payment of the 5 per cent. interest on the four millions?

“ 23. Is it the same as that of the other creditors of Egypt?

“ 24. If so, have the Government confidence that Egypt is likely during the next twenty years to meet its engagements?

“ 25. If so, is that the opinion of the investing public, as indicated by the market prices of Egyptian securities?

“ 26. What will be the position of a future Chancellor of the Exchequer pressing for payment of his dividend if the Khedive

tonnage dispute. The debated surtax has been equitably settled. So far all promises well. Long may our PROJECTOR, whose romantic career we have now followed for twenty years, have strength and spirit to carry on his struggle with persevering opponents, and with the winds and shifting sands of Port Said.

shall reply, 'Examine my books and my Treasury ; you will find that I am able to pay you, but only by withholding in whole or part the payment due on the 1st of next month to a creditor whose contract with me bears an earlier date.'

"27. If the Khedive be inconveniently pressed by us for payment, will this tend to promote our influence in Egypt, and what will his position be should he in such circumstances receive overtures of support, and for arrangements of mutual benefit, from any other Power?"

These questions may be fairly taken to summarize the popular objections to the scheme.

APPENDIX.

OFFICIAL DOCUMENTS.

I. *The Tonnage Dues.*

(Précis of the Question by Lord Tenterden, C.B., Under Secretary of State for Foreign Affairs.)

THE Suez Canal Company was constituted in 1854, but the Canal was not opened until the 17th of November, 1869.

The due of 10 fr. a ton to which the Company was entitled was then levied on the net register tonnage, as shown by the ship's papers.

The tonnage of vessels is measured in England by a system known as the Moorsom system, which consists in ascertaining, according to certain rules, the whole contents of the hull and permanent erections, and dividing the total cubic feet thus arrived at by 100. The result gives the total *gross tonnage*.

From this *gross tonnage* various deductions are made for engine space, &c., and the result gives the *net register tonnage*.

The whole question of tonnage measurement in England and foreign countries is explained in the instructions given to the British Delegates in 1873.*

On the 4th of March, 1872, the Company adopted the following resolution :—

* "Parl. Papers," 1874, p. 77.

“ 1. A partir du 1 juillet, 1872, la Compagnie Universelle du Canal Maritime de Suez percevra le droit spécial de navigation de 10 fr. par tonne *sur la capacité réelle* des navires ; 2, *le gross tonnage ou tonnage brut, inscrit sur les papiers de bord de navires, d'après la méthode Anglaise actuellement en usage, servira de base à cette perception* ; 3, les navires de toutes nations dont les papiers de bord n'indiquent pas ce tonnage établi d'après la méthode ci-dessus, y seront ramenés au moyen du *barême* le plus récent de la Commission Internationale du Bas-Danube, rectifié ou complété au besoin ; 4, les bâtiments qui n'auraient pas de papiers de bord ou n'en auraient que d'incomplets, seront jaugés par les Agents de la Compagnie d'après les règles actuellement en usage, en Angleterre, pour mesurer les navires chargés ; 5, tous les espaces couverts à demeure ou provisoirement, qui ne seraient pas compris dans le tonnage officiel du navire, seront jaugés par les Agents de la Compagnie, *suivant la règle actuellement en usage en Angleterre, le tonnage obtenu sera soumis à la taxe*. Tout en adoptant comme base de la perception de ces droits le tonnage résultant du mode de mesurage, d'après la méthode susindiquée, la Compagnie du Canal Maritime de Suez ne renonce pas pour l'avenir à l'application de tel mode de jauge qui se présenterait avec des avantages de précision supérieurs à ceux du mode actuel.”*

It will be observed that in this resolution the Company construed the words “ton of capacity” in the Concession to mean “real capacity” of the ship.

This “real capacity” the Company declared to have been ascertained, by a Commission of their own appointment, to be greatly in excess of the net register tonnage. By a curious calculation, they reckoned that the English

* “Parl. Papers,” pp. 73, 74, and 75.

gross tonnage was not fully measured, and that 30 per cent. on an average should be added to it. They then allowed 25 per cent. deduction for engine space, &c. The result was, in practice, to levy the dues on the entire *gross* tonnage, as shown in the ship's papers, with the effect of raising the dues about 30 per cent.*

* * * * *

The Commission met on the 16th of October, 1873. The Reports of the British Commissioners occupy pages 84 to 122 of the Correspondence presented to Parliament in 1874, and pages 106 to 120 of the Yellow Book.

The *procès-verbaux* are annexed *in extenso* to the 1874 Correspondence.

The general effect of these Reports is to show that the views of the British Delegates, explained in a very masterly manner by Colonel Stokes, prevailed with the majority throughout.

The French Delegates wished the Commission to enter into a general discussion upon utilizable tonnage, and finding that the majority refused to follow them, and were determined on adopting the Moorsom system of measurement, they declared they must retire, and did, in fact, abstain from voting at one meeting, being joined in their secession by their Russian colleagues.

It would not be possible to give an accurate abstract of this Report (published at p. 327 of the 1874 Correspondence) within the compass of a *précis*, nor would such an abstract be of any practical utility without an explanation of technical details.

The purport of the Report was that the Moorsom system was the correct system of measurement.

* "Parl. Papers," pp. 73, 74, and 75.

That every ship's papers should contain a certificate giving the gross and net tonnage.

That this certificate should be accepted in every country as the basis for the payment of all dues and charges, which are to be levied on the net tonnage.

Rules are then given for the deductions to be made from the gross tonnage to constitute this net tonnage: special regulations being provided for vessels having shifting bunkers which may be measured according to the rules in force on the Danube.

Provisional certificates of net tonnage may be issued by the competent authorities of the several countries, pending the establishment of a general system of measurement.

Surtax granted to the Company.

The Commission then recommends that a temporary surtax be allowed to the Company and that the Canal dues shall be levied on the following scale :—

In addition to the 10 fr. per ton which the Company are entitled to levy, they shall be permitted to charge a surtax of 4 fr. a ton on the net register tonnage of vessels measured according to Section (a) of Clause 23 of the British Merchant Shipping Act of 1854.

The surtax to be reduced to 3 fr. per ton on vessels provided with the certificate of net tonnage measurement recommended by the Commission.

Vessels already measured according to this system and those measured according to Section (b) of the 23rd Clause of the 1854 Act to pay 3 fr., on condition that the deductions for net tonnage do not exceed 50 per cent.

Vessels not measured according to the Moorsom system to have their tonnage reduced by calculation to the scale of the Danube and to pay a surtax of 4 fr. per ton.

The surtax of 3 fr. per ton to be reduced in the following proportions :—

To $2\frac{1}{2}$ fr. per ton as soon as the net tonnage passing through the Canal in a year reaches 2,100,000.

To 2 fr. when it reaches 2,200,000.

2. PROTEST OF M. DE LESSEPS.

Protestation de M. Ferdinand de Lesseps, Président-directeur de la Compagnie, adressée le 26 avril, 1874, à S.A. le Prince héritier Mohamed Tewfick Pacha, au Caire pour être signifiée à Constantinople.

Un contrat ne peut être modifié que par l'accord des parties contractantes. Si l'une des parties veut arbitrairement imposer sa volonté contre les termes de la convention, il y a violation de contrat.

L'article 17 du contrat public passé entre le gouvernement égyptien et la Compagnie du Canal de Suez, contrat ratifié par firman de la puissance suzeraine, avait donné lieu, de la part de tiers non intervenus au contrat, à des contestations judiciaires ; ces tiers ont été déboutés de leurs demandes et condamnés par deux hautes cours de justice.

Des gouvernements étrangers, sans autorité ni compétence dans l'espèce, sont intervenus diplomatiquement auprès de la puissance suzeraine.

Le Président de la Compagnie de Suez, après renvoi de la question d'Alexandrie à Constantinople, négocia auprès de la Porte ottomane, demandant que les tiers plaignants vinssent porter leurs réclamations devant un tribunal judiciaire ou administratif, constitué de manière à établir un débat contradictoire.

L'ambassadeur d'Angleterre s'étant opposé à ce que l'affaire fût examinée par le conseil d'Etat, attendu qu'aucun

sujet britannique ne se présentait comme plaignant contre la Compagnie, le Président-Directeur, après un séjour de cinq mois à Constantinople, protesta contre toute immixtion diplomatique étrangère.

Peu de temps après, la Porte ottomane rendit une décision interprétative de l'article 17, conforme aux droits de la Compagnie, qui se déclara satisfaite.

Mais l'ambassadeur d'Angleterre, secondé par deux de ses collègues étrangers, exigea la formation d'une commission internationale, dont la mission primitive, indiquée dans des instructions très-justes et très-sages de la Porte ottomane, était de déterminer un tonnage universel en rapport avec la capacité utilisable des navires.

Cette commission, où plusieurs Etats ne furent point représentés, particulièrement les Etats-Unis d'Amérique dont la navigation est égale à celle de l'Angleterre, et à laquelle ne furent point convoqués des délégués des parties contractantes, ne se borna pas à adopter un tonnage dont l'inexactitude est mathématiquement démontrée, mais elle émit l'avis d'en imposer l'application à la Compagnie du Canal de Suez. L'ambassadeur d'Angleterre se chargea de convertir l'avis en obligation.

Le Président-Directeur de la Compagnie, prenant en considération la pression diplomatique exercée sur la Porte, se montra disposé à soumettre à l'assemblée générale des Actionnaires un projet de transaction qui semblait devoir donner satisfaction à des exigences injustifiables en droit, en même temps qu'il sauvegardait dans une juste mesure les intérêts respectables des actionnaires du Canal.

Les propositions de transaction furent repoussées par une sommation ordonnant au Khédive d'Egypte d'employer la force pour contraindre la Compagnie.

Le Président, en protestant énergiquement, répondit dans les termes suivants :—“ La Compagnie financière du Canal de Suez, n'ayant par elle-même d'autre force que son droit, et désirant éviter un conflit qui serait fâcheux pour tout le monde, se voit obligée de se soumettre provisoirement ; mais elle constate la violation d'un contrat public formellement établi par l'article 17 de son acte de concession.”

Il se contenta ensuite de demander que, pour l'application de la taxe illégale contre laquelle il protestait, les formalités statutaires fussent observées, afin que la Compagnie pût se conformer aux obligations suivantes de son acte de concession :—

“ La Compagnie pourra modifier ses tarifs à toute époque, sous la condition expresse de publier les tarifs trois mois avant la mise en vigueur, dans les capitales et les principaux ports des pays intéressés.”

Un télégramme de la Porte, en date du 7 avril, adressé au Khédive, repoussa tout délai légal pour la publication du tarif imposé.

Le Président répondit qu'il opposerait une résistance absolue à la violation d'un contrat bilatéral, accepté et accompli par 40,000 actionnaires français, et il ajouta :—“ En l'absence de tout plaignant responsable et de toute sentence ou jugement, ni la Porte, ni les Puissances n'ont aucun droit de s'immiscer dans nos affaires, lorsque nous observons strictement les termes de notre contrat. Je prends mes dispositions pour réunir dans les délais voulus par notre loi, l'assemblée générale des actionnaires auxquels la question actuelle sera présentée intacte avec le maintien de tous leurs droits.”

Une communication de S.A. le Khédive, en date du 25 avril, informa le Président-Directeur que la Porte ottomane,

maintenant le délai fixé au 29 avril pour l'application de la décision relative au tarif, lui ordonnait d'obtenir ce résultat en usant de tous les moyens, même de la force, et de prendre au besoin possession du Canal, au lieu et place de la Compagnie.

Le soussigné, Président-Directeur du Canal de Suez, reconnaît que le Khédive d'Egypte a été obligé d'appuyer par une force militaire, qui est déjà rendue sur les lieux, les sommations de la Porte.

Considérant que l'attentat, provoqué par une coalition étrangère contre le droit public et privé, est arrivé à une extrémité qui n'admet pas, de la part d'une Société financière, une résistance matérielle ;

Que la suspension de la navigation dans le Canal de Suez, conséquence forcée d'une occupation militaire, serait un véritable désastre pour le commerce du monde ;

A donné l'ordre au service du transit de la Compagnie d'appliquer, à partir du 29 avril, le tarif du droit spécial de navigation avec la surtaxe, tel qu'il a été imposé par la Porte ottomane.

Et en conséquence, il proteste contre une décision arbitraire et illégale dont la Compagnie se réserve de demander la modification par tous moyens légaux, maintenant toujours, comme elle l'a fait jusqu'à présent, les droits de ses actionnaires dans les conditions du contrat du 5 janvier, 1856, ratifié par S.M.I. le Sultan.

Fait au Caire, le 26 avril, 1874.

FERD. DE LESSEPS.

3. *Agreement entered into this 25th day of November, in the year of our Lord 1875, between Major-General Edward Stanton, C.B., her Britannic Majesty's Agent and Consul-General in Egypt, acting on behalf of her Britannic Majesty's Government, on the one part, and his Excellency Ismail Sadek Pasha, Egyptian Minister of Finance, acting on behalf of his Highness the Khedive of Egypt, on the other part.*

Whereas his Highness the Khedive has proposed to sell to her Britannic Majesty's Government the whole of his shares in the Suez Canal Company, and whereas her Britannic Majesty's Government has proposed to purchase from his Highness the Khedive 177,642 shares in the said Suez Canal Company, for the sum of 4000,000*l.* sterling.

Now it is hereby witnessed that his Highness the Khedive agrees to sell to her Britannic Majesty's Government the whole of his shares in the Suez Canal Company, being to the number of 176,602 shares, not, as supposed by her Britannic Majesty's Government, 177,642 shares; and her Britannic Majesty's Government agrees to purchase the same for the sum of 4,000,000*l.* sterling, less the proportionate value of the 1040 shares, the difference between 177,642 and 176,602, and her Britannic Majesty's Government agrees to recommend to Parliament to sanction the contract.

Her Britannic Majesty's Government undertakes that on the 1st of December next, on the deposit of the shares in the hands of her Majesty's Agent and Consul-General in Egypt, the sum of 1,000,000*l.* sterling shall be held at the disposal of the Egyptian Government, in the hands of Messrs. N. de Rothschild and Sons of London; and that the remaining 3,000,000*l.* sterling, less the amount to be de-

ducted for the value of the 1040 shares above mentioned, shall be provided in the months of December and January next, as may be arranged between the Egyptian Government and Messrs. Rothschild and Sons.

The Egyptian Government undertakes to pay to her Britannic Majesty's Government interest at the rate of 5 per cent. per annum on the whole amount of the purchase money of the said 176,602 shares, in equal half-yearly payments,—the said payments to be made in London on the 1st of June and the 1st of December in each year, until such time as the coupons of the said shares shall be liberated from the engagement now existing with the Suez Canal Company; and the Egyptian Government further engages that the amount of the said interest shall be charged on the revenues of the country.

(Signed) EDWARD STANTON.

(Sealed) ISMAIL SADEK.



Seal of Ismail Pasha, legalized by Nubar Pasha.

4. *Messrs. de Rothschild to the Chancellor of the Exchequer.*

New Court, November 25th, 1875.

SIR,—We have the honour to acknowledge the receipt of a letter from the Secretary of the Treasury, in which are stated the conditions upon which we are willing to undertake the operations to which the said letter refers, and in answer to which we beg to state that the said conditions are in accordance with our verbal agreement—namely :

As soon as we receive the orders from the Lords Commissioners of her Majesty's Treasury, we shall be prepared

to hold at the disposal of the Egyptian Government the sum of 4,000,000*l.* (four millions sterling) ; 1,000,000*l.* (one million sterling) to be at the disposal of the Egyptian Government on the 1st December and the remaining 3,000,000*l.* (three millions sterling) during the months of December and January, in such manner as may be arranged between the Egyptian Government and ourselves.

It is also understood that we are to charge her Majesty's Government a commission of $2\frac{1}{2}$ (two and one-half per cent.) upon the 4,000,000*l.* (four millions sterling) and 5 per cent. (five per cent. per annum) interest until the date of repayment.

This advance is also made on the distinct understanding that her Majesty's Government will, as soon as practicable, apply to Parliament for a grant of money to enable her Majesty's Government to repay the said advance.

We have, &c.

(Signed) A. M. ROTHSCHILD & CO.

5. *Regulations for the Navigation of the Suez Canal.**

(Under Act of Concession, Jan. 1856. Arts. 14 & 17.)

Art. 14. We hereby solemnly declare for ourselves, and for our successors, under reserve of ratification by H.I.M. the Sultan, that the Great Maritime Canal from Suez to Pelusium and ports of dependence, are henceforth and for ever opened as neutral passages to any merchant vessel crossing from sea to sea without any distinction,

* These regulations are to come into force on and after the 1st July, 1872 ; the regulations published the 1st February, 1870, and the 17th August, 1869, are hereby annulled.

exclusion, or preference whatever for persons or nationalities against the payment of dues and execution of regulations established by the said Universal Company granted for the working of said Canal and its dependencies.

Art. 17. To indemnify the Company for the expenses of construction, maintenance, and working devolving upon them by these presents, we authorize the Company henceforth, and during the whole term of their lease as determined by clauses 1 and 3 of the preceding article, to levy and receive for the passage through the Canals and ports thereunto appertaining tolls and charges for navigation, pilotage, towage, tracking, or berthing dues according to tariffs which they shall be at liberty to modify at all times upon the following express conditions:—

1st. That these dues be collected without exception or favour from all ships, under like conditions.

2nd. That the tariffs be published three months before they come into force, in the capitals and principal commercial ports of all nations whom it may concern.

3rd. That for the special right of passage through the Canal, the maximum toll shall not exceed ten francs per ton of capacity on vessels and per head of passenger.

(Abstract from the Act of Concession dated 5th January, 1856.)

Art. 1. Before entering the Canal captains of ships shall bind themselves on receiving a copy of the present regulations to abide by and conform themselves in all points to all required arrangements made in view of the execution of these regulations.

Art. 2. The Suez Canal having a depth of eight metres (26 ft. 3 in. English) throughout its entire length, is open to ships of all nationalities, provided that their draft of water does not exceed seven metres and a half (24 ft.

7 in. English), and that they conform to the following conditions :—

Sailing vessels above fifty tons are bound to be towed through. Steam vessels may pass through the Canal by means of their own steam power, or be towed subject to the conditions hereafter noted.*

The maximum rate of all ships passing through the Canal is fixed at 10 kilometres, equal to $5\frac{1}{2}$ nautical miles per hour.

Art. 4. Vessels measuring 100 tons gross and upwards must take a Company's pilot for the whole length of the Canal, who will indicate all particulars concerning the passage through.

The captain is held responsible for all groundings and accidents of whatsoever kind, resulting from the management and manœuvring of his ship.

Pilots place at the disposal of captains of vessels their experience and practical knowledge of the Canal ; but as they cannot be specially acquainted with the defects or peculiarities of a steamer and her machinery, in stopping, steering, &c., the responsibility, as regards the management of the ship, devolves entirely upon the captain.

Art. 5. Whenever a ship intending to proceed through the Canal shall have dropped anchor either at Port Said or Suez, the Captain must enter his ship at the Transit Office and pay all dues for passage, as also for pilotage, towage, and stoppage, when such be the case, obtaining a receipt for the same, which will serve as justification whenever required.

* Of course, the towage of steamers through the Canal is not compulsory on the Company ; it will only be performed inasmuch as they have unengaged tugboats.

The following written information to be handed in by the captain :—

Name and nationality of the ship.

Names of the captain.

Names of the owners and charterers.

Port of sailing.

Port of destination.

Draft of water.

Number of passengers as shown by the shipping list.

Statement of crew as shown by the muster roll and its schedules.

Tonnage of the ship in accordance with the legal measurement as by official certificate of registry.

Art. 6. The Company determine the hour of departure of each ship and her subsequent stoppages at sidings, in order to give full security for the navigation as well as to insure as much as possible the rapid passage of mail steamers.

Therefore no ship can require as a right an immediate passage through the Canal, neither will any claim be admitted in connexion with any delay originating from the foregoing causes.

Art. 7. In order to form trains of ships, the captain having his receipt for Canal dues will be furnished with a numbered ticket, and on receiving the pilot on board will take up the position thereby assigned to him.

Art. 8. All ships on entering the Canal are to be prepared by bracing their yards forward, running in their flying jib and jib-booms, and swinging their boats in board.

In addition to their two bow anchors, they must carry at the stern ready for letting go at the request of the pilot a kedge with a stout hawser bent on sufficient to hold the ship.

Art. 9.—§ 1. During a ship's passage through the Canal,

she must have a boat towing astern containing a hawser in readiness for being promptly taken to any mooring-post on either side of the Canal.

§ 2. The captain is required to establish a watch both by day and night ; the men to be in readiness to ease away or cut hawsers as may be required.

§ 3. Navigation by night time is only authorized under exceptional circumstances and under the captain's full responsibility assumed in writing as far as any delay, mishap and damages that may happen to his own ship are concerned, as well as such aforesaid occurrences he might cause to other ships in transit, or to the Company's craft and stock to be found in the Canal.*

While navigating by night time under the above authorized conditions, ships must carry their usual lights and a man on the look-out forward.

Ships moored during night time must show a plain light forward and another aft with the usual look-out.

§ 4. All steamers, including tugs, must blow their steam-whistles when approaching the curves of the Canal, also when passing in either direction boats or lighters, dredges, or anything else afloat. They must stop when the Canal appears not to be clear, and they shall also pass all sidings, vessels made fast or under weigh, mud hoppers, dredging machines, and all other craft, at a reduced speed.

§ 5. Whenever a collision appears probable no ship must hesitate to take the ground and thus avoid the collision. The expenses consequent upon grounding under these circumstances shall be defrayed by the ship in fault.

§ 6. When two vessels proceeding in an opposite direction are in sight of each other, they must both decrease their

* Navigation by night time and by foggy weather in the Bitter Lakes is also but exceptionally authorized and under the same conditions.

speed, and hug the starboard shore, or stop, if so required by the pilot.

§ 7. Ships proceeding in the same direction are not allowed to pass each other in the Canal.

This move, when necessary, can only be effected at the sidings, under the immediate management of the Canal Company's employés.

Art. 10. When circumstances arise that oblige a ship to stop during her passage through the Canal, and when a siding is not at hand, which must always be reached if possible, the captain must make fast ahead and astern to the weather bank, showing the proper signal by day, and two lights by night, forward and aft, as already mentioned.

In the event of grounding, the agents of the Company shall have the right to establish all the means by which a vessel is to be floated off again, to discharge and tow the vessel as may be necessary, at her expense, unless it be regularly proved that there was an insufficient depth of water in the Canal, or that erroneous directions given by the pilot were the cause of the grounding.

The aforesaid costs of floating, towing, discharging, and reloading, &c., must be paid according to the account or estimate of the Company, before the departure of the ship from Port Said or Suez.

Art. 11. The following prohibitions are hereby notified :

§ 1. The overloading of the deck, before entering the Canal, with coals or other merchandize, to such an extent as to compromise the general stability of the vessel.

§ 2. The anchoring of a ship in the Canal, except through unavoidable circumstances, and then only with the consent of the pilot.

§ 3. Throwing into the Canal earth, ashes, cinders, or material of any kind.

§ 4. In the event of any material of whatever kind falling

overboard, the circumstances are to be immediately made known to the pilot, who is instructed to submit such information to the Company's agent at the nearest station.

§ 5. Captains are prohibited from picking up anything that may have fallen into the Canal without the direct intervention of the Company's agents.

§ 6. The recovery of all material that has fallen into the Canal, whatever may be the attendant circumstances, shall be carried out at the expense of the captain, to whom such material will be restored when the aforesaid expenses are paid thereon.

§ 7. It is expressly forbidden, and on penalty of legal proceedings, to the masters of ships while in the Canal, or in the ports or sidings thereunto appertaining, to allow shots being fired from board ship.

Art. 12.—1. On and after the 1st July, 1872, the Suez Maritime Canal Company will levy the special toll of navigation of 10 francs per ton upon the real capacity of ships.

2. The gross tonnage (or *tonnage brut*) inscribed upon the certificate of registry belonging to ships measured according to the English method actually in use will be the basis of such charge.

3. Vessels of all nations whose papers do not establish by the above method their gross tonnage will be reduced to it in accordance with the annexed table. (*See p. 332.*)

4. Vessels without official documents, or possessing but incomplete documents, shall be measured by the Company's agents according to the method actually in use in England for the measurement of loaded ships.

5. All covered-in spaces, whether permanent or temporary, that are not comprised in the official tonnage of the ship shall be measured by the Company's agents according

to the actual method in England.—The tonnage thus obtained will be also submitted to the foregoing tax.

6. Men-of-war and Government vessels will be treated, as regards the collection of the dues, in conformity with the regulations applied to merchant vessels.

The charge of ten francs per passenger above twelve years of age, and of five francs per passenger from three to twelve years old, as well as the transit dues, must be prepaid on entering the Canal at Port Said or Suez.

The berthing or anchorage dues at Port Said, Ismailia, and opposite the Suez embankments are fixed at 0 fr. 02 centimes per day per ton after a stay of 24 hours, and for an unlimited time, the berth of the ship being assigned to her by the harbour-master. The amount will be collected every tenth day.

Errors in the declaration of tonnage or in the payment of the dues must be rectified within a month after the ship's passage through the Canal. After the above delay rectifications will not be admitted. No application of the tariff can be subsequently brought forward as a precedent against the charges of the Company.

N.B.—While adopting the foregoing method as a basis for the levying of tonnage dues, the Suez Maritime Canal Company do not renounce for the future the application of any other new system of tonnage measurement which may offer superior advantages of precision as compared with the actual method now in force.

Art. 13. The charges made by the Company for towage are as follows:—

For sailing vessels measuring 400 tons and under, 1200 fr.; for sailing vessels measuring above 400 tons, 1200 fr. for the first 400 tons and $2\frac{1}{2}$ fr. for every surplus ton.

For steamers measuring above 400 tons, 2 fr. per ton, without any distinction, upon their whole tonnage, but on the condition that they use their propelling power, or keep it in readiness for assisting the tug.

Steamers measuring under 400 tons, also steamers not intending to give the assistance of their propelling power will pay the same as sailing vessels.

In the event of compulsory stoppage or grounding in the Canal, the agents of the Company shall have the right to employ, of their own accord, a tug to re-establish a free passage, and thus obviate the retarding of other vessels ; all charges to be defrayed by the ships thus assisted in conformity with Article 10.

The charge under the circumstances now described will be for :

A tug of the first class	1200 fr.
„ „ second class	800 fr.

Every portion of a day to be reckoned as a whole day.

Whenever a ship shall have floated off, and continues her route under tow of a tug, she must in addition defray the services of the tug according to the annexed tariff of charges.

When a ship shall require a tug to accompany her, the charge for such services will be 1200 fr. a day if a tug of the first class be employed, and 800 fr. a day for a tug of the second class. In the event of a stoppage the tug will render assistance in getting the vessel under weigh, each time that it may be necessary. If the vessel is towed any distance exceeding that of one station from another, the price for such towage may be demanded in lieu of the tariff fixed for accompanying her.

It is hereby provided that when a tug shall have accom-

panied or towed a vessel one-half of the length of the Canal, 600 fr. shall be levied for the return trip of a first class, and 400 fr. for a second class tug. Under the above circumstances, one-half only of the towage dues shall be charged. Whatever may be the distance towed, the charge leviable shall not be less than one-half of the amount payable for the entire length of the Canal ; from Ismailia to Port Said being considered one-half on one side and from Ismailia to Suez the other half, on the other side.

All ships towed must furnish their own warps.

For the towing of monitors, loaded or empty lighters and other exceptional vessels, arrangements to be made by special agreement.

Shipowners are authorized to have their vessels towed and accompanied by their own steam tugs, all responsibility connected with such acts devolving upon themselves.

Such tugs are to be approved by the Canal Company.

Ships towed or accompanied by tugs belonging to their owners will pay 0 fr. 50 cent. (fifty centimes) per ton as towage dues.

Such tugs whenever they shall tow or accompany vessels belonging to their own proper owners will be free of any tax whatever.

Whenever they shall go through the Canal for the purpose of meeting vessels of their owners which they are entitled to tow or accompany, or otherwise returning to their usual residence after having towed or accompanied them through, said tugs shall not be submitted to the special dues of navigation, but they will be obliged to pay pilotage dues and to take a pilot on board.

Tugs in question are subject to berthing dues.

Any transport of goods or passengers is prohibited to them ; the fact of having on board passengers or goods

would entail upon them the payment of all dues and charges to which are submitted ships in transit.

Whenever said tugs shall be used for towing or accompanying vessels not belonging to their own proper owners, the same dues and charges shall be levied on them as on ships in transit.

Besides the special treatment specified by the present article, tugs belonging to private owners shall be submitted to the strict observance of the present regulations concerning vessels berthing or in transit.

Art. 14. The pilotage charges are levied according to draft of water and are as follows:—

All ships whose draft of water is 3 metres, 5 fr. for each decimetre.

	Per decimetre.
All ships drawing from 3 m. to 4 m. 50 —	10 fr.
„ „ 4 „ 50 to 6 —	15 „
„ „ 6 „ — to 7.50 —	20 „

Pilotage charges for entering the port of Port Said and leaving the same are fixed as follows:—

Pilotage by day-time . . .	{ steamers . . . 25 fr.
	{ sailing ships . 10 „
Pilotage by night-time, before sunrise and after sunset	{ steamers . . . 50 „
	{ sailing ships . 20 „

The payment of the pilotage charge for entering the port of Port Said and leaving the same is compulsory on every ship measuring 100 tons gross and upwards.

Ships entering the port of Port Said or leaving the same by day-time, either intending to proceed through the Canal or having performed the passage, are free from such charge: they are only bound to pay the pilotage dues stipulated for the passage of the Canal.

The charge for pilotage by night-time on entering the port of Port Said or leaving the same is fixed as follows for ships performing the passage of the Canal :

Steamers	25 fr.
Sailing ships	10 „

Twenty francs per day is levied for pilots kept on board in case of stoppage.*

Art. 15. The Company receive at their Offices in Paris payments in advance on account of transit and any other dues specified in the present regulations either from the shipowners direct, or through the medium of agents employed by the shipowners at their own risk and responsibility.

The Administration in Paris will give, on receiving such amounts in deposit, *acknowledgments for the same*, which can be handed over as cash to the Company's agents in Egypt authorized to collect the dues.

The Company's agents authorized to collect the dues in Egypt, are moreover empowered *with respect to ships whose owners have made the above payments for transit in advance in Paris at the Company's office*, to accept the captain's draft at sight on the owners for any balance that may be due for pilotage and other charges.

In the event of payments in advance not being effected in time to remit *receipts* to the captains, the Company will make known, by telegraph, the amounts paid to their agents in Egypt. The cost of the telegrams to be defrayed by the shipowners.

* In the pilotage charges are included remuneration for maintenance of beacons, sidings, telegraphy, watchmen, signals and other means established by the Company to insure, in every way, the safety and good navigation of ships.

This last clause is equally applicable to payments in advance made in Paris for dues of ships coming from beyond or eastwards of Suez.

Paris, March 31st, 1872.

(Signed)

FERD. DE LESSEPS,

President-Director.

Provisionally and until further orders, ships, barges, lighters, and other craft, either coming in ballast or empty from Port Said under orders for Ismailia, or returning from Ismailia to Port Said with cargoes of native produce ; or bringing from Port Said to Ismailia cargoes bound to districts of Lower Egypt next to the Canal, and returning empty or in ballast from Ismailia to Port Said, will be free, either outward or homeward bound, whether they be empty or in ballast, of the special dues of navigation, and will only be submitted to the payment of five francs per ton representing the special dues of navigation of half-way in the Canal for their passage when loaded outward or homeward bound.

Such toll is to be prepaid when said ships, barges, lighters, or other craft enter the Canal in ballast or empty to go and take cargo of native produce at Ismailia as well as when loaded.

As regards dues or charges other than the special dues of navigation (viz., berthing, pilotage, towage dues, &c.), said ships, barges, lighters or other craft are bound to pay them in full.

EXTRACT FROM THE MERCHANT
SHIPPING ACT.

A. Table of division for the measurement of transverse areas.

Class 1. Ships of which the tonnage deck is 50 feet long or under, into 4 equal parts.

Class 5. Ships of which the tonnage deck is above 50 feet long and not exceeding 120, into 6 equal parts.

Class 3. Ships of which the tonnage deck is above 120 feet long and not exceeding 180, into 8 equal parts.

Class 4. Ships of which the tonnage deck is above 180 feet long and not exceeding 225, into 10 equal parts.

Class 5. Ships of which the tonnage deck is above 225 feet long, into 12 equal parts.

B. Measurement of closed-in spaces.

If there be a break or poop, or any other permanently closed-in space on the upper deck, available for cargo or stores or for the berthing or accommodation of passengers or crew, the tonnage of such space shall be ascertained as follows: measure the internal mean length of such space in feet, and divide it into two equal parts; measure at the middle of its height, three inside breadths—viz., one at each end, and the other at the middle of the length; then to the sum of the end breadths add four times the middle breadth, and multiply the whole sum by one-third of the common interval between the breadths; the product will give the mean horizontal area of such space; then measure the mean height and multiply by it the mean horizontal area; divide the product by one hundred, and the quotient shall be deemed to be the tonnage of such space, and shall be

added to the tonnage under the tonnage deck, ascertained as aforesaid, subject to the following provisos: first, that nothing shall be added for a closed-in space solely appropriated to the berthing of the crew, unless such space exceeds one-twentieth of the remaining tonnage of the ship; and in case of such excess, the excess only shall be added.

C. Measurement in case of two or more decks.

If the ship has a third deck, commonly called a spardeck, the tonnage of the space between it and the tonnage deck shall be ascertained as follows:—Measure in feet the inside length of the space at the middle of its height from the plank at the side of the stem to the lining on the timbers at the stern, and divide the length into the same number of equal parts into which the length of the tonnage deck is divided as above directed; measure (also at the middle of its height) the inside breadth of the space at each of the points of division, also the breadth of the stem and the breadth at the stern; number them successively 1, 2, 3, &c., commencing at the stem; multiply the second and all the other even numbered breadths by four, and the third and all the other odd numbered breadths (except the first and last) by two; to the sum of these products add the first and last breadths; multiply the whole sum by one-third of the common interval between the breadths, and the result will give in superficial feet the mean horizontal area of such space; measure the mean height of such space, and multiply by it the mean horizontal area, and the product will be the cubical contents of the space; divide this product by one hundred, and the quotient shall be deemed to be the tonnage of such space, and shall be added to the other tonnage of the ship ascertained as aforesaid.

D. Additional measurement for ships having more than three decks.

The tonnage deck is always the second deck from the hold.

If a ship has more than three decks, the tonnage of each space between decks above the tonnage deck shall be severally ascertained in manner above described, and shall be added to the tonnage of the ship ascertained as before.

E. Measurement for ships not requiring registry with cargo on board.

Measure the length on the upper deck from the outside of the outer plank at the stem to the aftside of the stern post, deducting therefrom the distance between the aftside of the stern post and the rabbet of the stern post at the point where the counter plank crosses it; measure also the greatest breadth of the ship to the outside of the outer planking or wales, and then, having first marked on the outside of the ship on both sides thereof, the height of the upper deck at the ship's sides, girt the ship at the greatest breadth in a direction perpendicular to the keel from the height so marked on the outside of the ship, on the one side, to the height so marked on the other side by passing a chain under the keel; to half the girth thus taken add half the main breadth; square the sum; multiply the result by the length of the ship taken as aforesaid; then multiply this product by the factor 0'0017 (seventeen ten-thousandths) in the case of ships built of wood, and by 0'0018 (eighteen ten-thousandths) in the case of ships built of iron, and the product shall be deemed the register tonnage of the ship subject to the additions and deductions hereinafter mentioned.

If there be a break, a poop, or other closed-in space on the upper deck, the tonnage of such space shall be ascertained by multiplying together the mean length, breadth, and depth of such space, and dividing the product by one hundred, and the quotient so obtained shall be deemed to be the tonnage of such space, and shall, subject to the deduction for a closed-in space appropriated to the crew, be added to the tonnage of the ship ascertained as aforesaid.

F. *Measurement of open ships.*

Art. 24. Rule IV. In ascertaining the tonnage of open ships, the upper edge of the upper strake is to form the boundary line of measurement, and the depth shall be taken from an athwartship line extended from upper edge to upper edge of the said strake at each division of the length.

CONSULAR AND COMMERCIAL AFFAIRS DEPARTMENT.

(Conversion Table at present employed by the European Commission
of the Danube.)

*Factor by which the Unit of all Tonnage must be multiplied to
convert same into English Tons.*

[illegible]

Paris, April 12th, 1872.

A true copy :

(Signed) MEURAND,

Director of Consulates and Commercial Affairs.

N.B.—After the register tonnage, when obtained by other

* By a decree published in the *Journal Officiel*, of the 28th De-

methods, shall have been so increased as to give the gross tonnage, the above table will serve to reduce it to English tonnage.

MODE OF LEVYING

THE DUES ENFORCED UPON THE COMPANY ON THE 29TH OF APRIL, 1874, AND AGAINST WHICH M. DE LESSEPS HAS PROTESTED ON THE 26TH OF THE SAID MONTH.

Ships measured by the Moorsom System.

1. Besides the toll of 10 francs a surtax of 4 francs shall be levied on each net register ton of ships, the deductions referring to the engines of which have been ascertained in conformity with § (A) of Clause XXIII., defining Rule III. of the English Act of 1854.

2. This surtax shall be reduced to 3 francs for every ship that shall have inscribed on her papers or on their schedules the net tonnage resulting from the method of measurement recommended by the International Commission, which shall form the basis on which to levy the toll and the surtax.

3. It is understood that ships which are already measured according to the alternative laid down by the Commission, and especially by § (B) of the aforesaid clause of the English Act of 1854, shall only have to pay, from the present time, the surtax of 3 francs per net register ton, provided that the deductions for machinery and fuel do not exceed 50 per cent. of the gross tonnage.

cember, 1872, the English mode of measurement of tonnage is compulsory on French ships from and after the 1st of June, 1873.

Ships measured by a System other than that of Moorsom.

4. The gross tonnage of ships that are not measured by the Moorsom system shall be reduced to the tonnage of such system by the application of the Lower Danube scale of factors, and their net tonnage shall be ascertained by § (A) of Clause XXIII. above mentioned. Such ships are to pay, besides the toll of ten francs, a surtax of 4 francs per ton of said net tonnage.

Provision common to all Vessels.

5. The surtax of 3 francs per net register ton shall gradually be reduced in the proportions hereafter specified, according to the development of the net tonnage of vessels passing annually through the Canal, and in such manner that at last the maximum tax of 10 francs per ton only, of the net tonnage stated on the ship's papers, shall be levied so soon as the tonnage shall in one year amount to 2,600,000 net register tons.

The decrease of the surtax shall be effected in the following proportions :—

As soon as the net tonnage shall have reached the figure of 2,100,000 tons in one year, during the year following the Company shall only levy a surtax of $2\frac{1}{2}$ francs per ton.

From the year following that in which the net tonnage shall have risen to 2,200,000 tons, the surtax shall be only 2 francs per ton, and in like manner every additional 100,000 tons per annum cause a reduction in the surtax of 0.50 centimes per ton for the year following, so that by the time the net tonnage shall have reached 2,600,000 tons in one year the surtax shall cease altogether, and the tax will no longer exceed the maximum of 10 francs per net register ton.

It is clearly understood :

1. That in the event of the increase of net tonnage during one year exceeding 100,000 tons, the surtax shall decrease during the following year by as many times 0.50 centimes per ton as there shall be of 100,000 tons of excess.

2. When once the surtax has been decreased or abolished, in accordance with the conditions just stated, no increase or re-imposition can again be made, even though the tonnage in transit should again fall off.

3. The year mentioned above is to commence from the 1st January (new style).

4. Ships of war, vessels built or chartered for the transport of troops, and vessels in ballast, shall be exempt from all surtax ; they shall not be liable to a tax greater than the maximum of 10 francs per ton, which shall be levied on their net register tonnage.

6. The following will be interesting as showing how a vessel is taken through the Canal :—

“*Audacious*, Suez, December 4th, 1874.

“I have the honour,” writes Admiral Ryder, “to report to the Admiralty that her Majesty’s ship *Audacious* arrived at Port Said on Sunday, the 29th November, and entered the Suez Canal on the following morning. She arrived at Suez yesterday morning ; having been seventy-five hours on the passage through the Canal, but only forty-two under weigh. On arrival at Port Said the *Audacious* was drawing 23 feet of water aft and 22 feet forward (mean 22 feet 6 inches). The *Iron Duke*, our sister ship, when she arrived, was drawing 22 feet 6 inches aft and 19 feet 6 inches forward, but trimmed to 21 feet 8 inches aft and 20 feet 4 inches forward

(mean 21 feet). We expected to have to trim and bring the vessel on an even keel, or nearly so, but were informed that this was specially objected to, as making it more difficult to get vessels off when they ran into the bank. We engaged the services of the Company's most powerful tug, and had the *Prompt* in attendance also astern. The most experienced pilot (Potomatus), who conducts all the troop-ships through, was secured for us by Captain Willoughby. Various methods are adopted by vessels passing through, and we tried several. The *Iron Duke* had a tug ahead, the transport despatch vessel *Prompt* always paddling astern, and did not use her own engines. We tried this plan first, and were run ashore, and had to lay out hawsers. The only difference between us and the *Iron Duke* was that we drew about 1 foot 6 inches more water, although we entered the Canal with only 60 tons of coal, just enough to carry us through and allow a margin for accidents, and we had a balanced rudder. Tug ahead, but using our own screws, the *Prompt* paddling astern. Did not ground so as entirely to lose way, but frequently cannoned from side to side, the vessel heeling over two or three degrees. Our own screws only, casting off both the tug and the *Prompt*. We adopted this plan after half the Canal had been passed through, and went steadily through the worst parts of the Canal without touching either side—viz., for thirty miles, on the third day, but took a sheer at the last, which ran us into the bank, so that she 'slewed' forward 2 feet. I have no hesitation in saying, as the result of our experience, that the *Audacious*, a twin screw ship with a balanced rudder, eminently calculated, therefore, for close accurate steering, will best go through the Canal entirely dependent upon her own resources. Whether, as a matter of prudence the tug or the despatch vessel *Prompt*, or both, should be in attendance, in case of collision owing

to the bad steering of another vessel, is a matter for consideration. The expense of the tug in our case was 198*l*. I may here mention that the most serious accident that has happened to any one of her Majesty's troop-ships (the *Serapis*) arose from her being towed; the tug broke down without warning in the worst part of the Canal—the entrance of the Little Bitter Lake, where there is no ditch, but the ground slopes gradually up from the maximum depth—and the *Serapis*, to prevent her running over the tug, was wisely run ashore by Captain Grant, but she had to cut up her decks and remove 800 tons of weight, viz., 500 tons of coal and 300 tons of stores before she could be got off. The captains of the troop-ships, when asked their opinion, some time since, were divided, four being in favour of the tug ahead and four against; but now, the whole of them have given up being towed. The *Prompt*, or her sister despatch vessel, is always in company. Our pilot suggested, and I consented to, our having no tug ahead or astern, and as soon as we cast them off the cannoning ceased. We had touched probably fifty times during the first half of the Canal. The cannoning from side to side, if it occurs frequently, is likely to injure the copper or zinc, and delays the vessel very much, as the engines have often to be stopped at the time. There is the risk also of the bilge keels (as has occurred in the troop-ships) lifting large masses of earth. One of these vessels, when suddenly released by the earth falling off, was set rolling through large angles (14 degrees) sufficient to give entrance to water through the lower scuttles. Moreover, a more than usually oblique cannon, arising from the bottom of the Canal, being a little wider than usual, might run the forefoot into the bank, and necessitate hawsers and anchors to extricate her, and, if it takes place in the lake, perhaps some days' delay, lighters to be sent for to lighten her. We experienced

some delay from 'garing,' hauling into a siding to allow other vessels to pass in the opposite direction, which is ordered by signal from the stations. The being shunted in this way will become more and more frequent as the commerce increases, and before long a great portion of the time passed in the Canal will be in the shuntings. Several of the 'gares' only hold three large vessels, and very little room is left to pass, as the bottoms of the 'gares' appear, in some places, to be shoaler than the ditch, and we could not haul close in owing to our great beam. Collisions can only occur when a vessel is passing a 'gare' with a ship or ships in it. A wild vessel, not under proper control, and that is cannoning from side to side, may cannon into the 'gare,' and finding no bank to cannon off, will strike instead the vessel in the 'gare.' Fenders are the only precaution that the vessels in the 'gare' can take ('gared' vessels have been cut down to the water's edge); but the wild ship can control herself by adopting a practice which all the ships of a Dutch company have adopted with success; they drag through the Canal out of their hawseholes, two lengths of bower chains, which drag chains prevent them from swerving. The bottom is all sand or marl, and there is nothing to catch or injure the chain. We intended to try this if we had not found that the vessel was almost perfectly manageable when the tugs were cast off. Instances have occurred in the case of very wild vessels of their having to be warped past a 'gare,' after several attempts to steam past with safety to the 'gared' vessels.

Wind.—The wind aft we found mischievous, as increasing the tendency to swerve. *Tide.*—There is a tide in the last few miles near to Suez, running four knots sometimes. It is most prudent to have it against you. Signals are made from the stations as to the direction and rate of the tide.

Currents.—The tendency to cannon rapidly and wildly,

developed at times, is attributed by Captain Willoughby and the pilot to under-currents after southerly winds. We could not test this. The effect of the large mass of the ship moving through a narrow trough or ditch is, of course, to leave a hole in the water behind, which the near water rushing in to fill up causes the water alongside to flow aft, and the water abaft to rush forward as a following wave; but the hull also drives a wave forward. This altered the draught, when we are going at about 4 knots, from 23 feet aft to 23 feet 6 inches, and forward from 22 feet to 22 feet 3 inches.

“Counter-currents and eddies are formed in different directions, very injurious to steady steering, and there is a risk to boats and small vessels attempting to pass a ship in motion in the Canal, as they are sucked towards her. The same action has a tendency to suck vessels out of the ‘gare’ when a large ship is passing, and hawsers are often carried away. The frequent posts placed for the purpose of securing hawsers to are invaluable; we never had to lay out an anchor, although of course, a kedge was hanging over the stern, nor had we to make a shore anchor with a spar. Two cutters with hawsers in them were kept towing alongside. At short intervals there are spar buoys secured by chains to the shore and by an iron weight to the edge of the ditch.

“These disappeared just before the beam as we passed, sucked under by the current caused by so large a body in motion. We have reason to believe that only one was broken by us. We anticipated great risk to our screws owing to their projection, but we have no reason to suppose they ever touched the bank. The pilot learned after a little time how to manage the ships capitally by their aid and the balanced rudder.

“ Recommendations.

“ At the place where we struck on the third day—viz., at $78\frac{6}{10}$ miles from Port Said, the shelves on the bank under water have never been smoothed off, and the Canal authorities decline to finish the work since the decision of the International Committee. Vessels frequently ground here, so we were informed by Captain Willoughby and the pilot. As the depth in the ditch is the same as elsewhere it is difficult to see why this should be.

“ I think it probable that the vessels are made wild by the action of the water pouring down the steps instead of quietly subsiding as it does when the bank is properly finished. This more rapid stream strikes impulsively against the quarter and most forcibly on the side to which the ship is nearest, thus twisting her round. The authorities of the Canal should be pressed to dredge off these shoulders, or ‘benches’ as they are called. At first sight, it might appear advisable that the Canal should be widened, but I am convinced that it would be a misfortune, as wild vessels that now cannon harmlessly from bank to bank of the ditch, which is only 72 feet across, would then, instead of cannoning, dig their stems in and stick, perhaps for hours. There should be a ‘gare’ cut out opposite to each of the existing ‘gares,’ and kept empty, so as to allow vessels to pass without risk, and, if not feasible, the ‘gares’ should be widened, if possible, and kept at the same depth as the ditch, so that the ‘gared’ vessels would be more out of harm’s way, and, as the commerce increases, the ‘gares’ will probably have to be lengthened, so as to take in more vessels at the same time. If a second Canal is made, it should be, as nearly as possible, the same width, and be ‘gared’ in the same way. This would be a solution of the problem ‘how to provide for a very largely increased

traffic,' and as a provision in case of a serious stoppage. There should be a passage (locks) from one Canal to the other at intervals. The expense of a second Canal would of course be much less than the first.

"The troop-ships pass with great success, drawing 22 feet aft, and 17 feet forward (5 feet by the stern). I believe this considerable difference of draught is one of the reasons, if they touch, why they do not stick. Vessels of considerable draught will naturally be taken into the Canal drawing as little as possible, but I am of opinion it is quite open to question whether weights might not be judiciously added abaft to give the draught there a considerable preponderance, provided that, say 23 feet, is not much exceeded ; but a vessel drawing 24 feet 6 inches lately passed through—with great difficulty, however. It must be remembered that, as the transit charge on coal is 17s. a ton, vessels rarely take in coal at Suez, and very little is kept there. Vessels coming from the Mediterranean should, therefore, write or telegraph to the contractor at Port Said how much coal they will want at Suez, or they may be disappointed when they get there.

"A. P. RYDER."

I. ORDINARY SHARES.

FRONT.

COMPAGNIE UNIVERSELLE DU CANAL MARITIME DE SUEZ CAPITAL : DEUX CENTS MILLIONS DE FRANCS ACTION DE CINQ CENTS FRANCS AU PORTEUR CHAQUE ACTION DONNE DROIT : 1 A la propriété d'un quatre cent millième de l'actif social ; 2 A un intérêt annuel de 5 p. % payable par semestre, le 1 janvier et le 1 juillet de chaque année ; 3 A un dividende annuel, payable le 1 juillet. Un Administrateur—EMILE GUILLAUME. Un Administrateur—V. DELAMALLE.	
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Compagnie du Canal	Quatre-vingt-quinze Coupon. No. Echéant le 1 Juillet 1906.	Maritime de Suez.
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Compagnie du Canal	Quatre-vingt-quatorze Coupon. No. Echéant le 1 Janvier 1904.	Maritime de Suez.
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Compagnie du Canal	Quatre-vingt-treize Coupon. No. Echéant le 1 Juillet 1905.	Maritime de Suez.
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BACK.

[*Extract of Bye-laws in Turkish. Also in French and German.*]

SUEZ MARITIME CANAL UNIVERSAL COMPANY

CAPITAL: 200,000,000 FRANCS. Share of 500 Francs to Bearer.

EVERY SHARE GIVES A RIGHT :

1. To the four hundredth-thousandth part of the joint property ;—2. To an annual interest of 5 per cent., payable every six months, viz. : on the 1st of January and the 1st of July ;—3. To an annual dividend, payable on the 1st of July.

EXTRACTS OF THE BY-LAWS.

The shares shall be signed by two directors or by one director and a delegate, and impressed with the stamp of the Company.—The shares are undividable. The Company recognises but one owner to each share.—The possession of a share implies adhesion to the by-laws of the Company and to the resolutions adopted by the general meeting of shareholders.—The shares shall be redeemed at par in 99 years and paid off by annual lottery.—The Shares redeemed remain entitled to the dividends.

II. FOUNDERS' SHARES.

FRONT.

Compagnie Universelle du Canal Maritime de Suez.

PART DE FONDATEUR No.

TITRE AU PORTEUR.

Extrait des Statuts.

Le présent Titre donne droit :
A une part d'un millièrme dans les
10 p. % attribués aux Fondateurs sur
les Produits nets ou Bénéfices de l'Entre-
prise.

(Articles 63 et 70 des Statuts.)

Le Président-Directeur,
FERD. DE LESSEPS.

*Extrait des Décisions du Conseil
d'Administration.*

Le Conseil d'Administration de la
Compagnie,
Vu l'article 19 de l'Acte de concession
et l'article 70 des Statuts, &c.

L'un des Vice-Présidents,
D'ALBUFERA.

On back 90 spaces for Dividendes payés.

III. LOAN OF 1867 (OBLIGATIONS).

FRONT.

Compagnie Universelle du Canal Maritime de Suez.

EMPRUNT DE CENT MILLIONS

Autorisé par l'Assemblée générale des Actionnaires du 1 août 1867.

GARANTI

Par la propriété du Canal maritime de Suez et de tout son matériel, par les revenus
généraux de l'entreprise, par la valeur et le produit des terrains de la Compagnie.

OBLIGATION DE CINQ CENTS FRANCS AU PORTEUR

No. _____

LE PORTEUR A DROIT :

- 1 A un intérêt semestriel de 12 fr. 50 c. payable les 1 avril et 1 octobre de chaque année.
- 2 Au remboursement du capital de 500 francs par voie de tirages trimestriels, d'après le tableau d'amortissement d'autre part. Le tirage au sort s'opérera par série de 100 Obligations ou par fraction de série.

Un Administrateur,

Un Administrateur,

CANAL MARITIME DE SUEZ.

Obligation No.

Coupon de 12 fr. 50 c. échéant le 1 octobre 1892.

BACK.

TABLEAU D'AMORTISSEMENT.

Des 333,333 Obligations émises par la Compagnie universelle du Canal Maritime de Suez,
le 26 septembre 1867, en exécution de la décision de l'Assemblée générale des Action-
naires du 1 août 1867

Epoques du Remboursement.	Nombre d'obligations à amortir.	Up to	Epoques du Remboursement jusqu'à	Nombre d'obligations à amortir.
1868 1 octobre... ..	385		1868 { 1 janvier	4.333
1869 { 1 janvier	385	1910	1868 { 1 avril	4.443
1869 { 1 avril	395		1868 { 1 juillet	4.444
1869 { 1 juillet	395		TOTAL	333.333
1869 { 1 octobre... ..	405			

IV. LOAN OF 1871 (BONS TRENTENAIRES).
FRONT.

COMPAGNIE UNIVERSELLE
DU
CANAL MARITIME DE SUEZ

Délibération de l'Assemblée générale du 24 août 1871.

EMISSION DE 200,000 BONS DE 125 FRANCS
REMBOURSABLES EN TRENTE ANS, PAR VOIE DE TIRAGES AU SORT ANNUELS
Conformément au Tableau d'amortissement dressé d'autre part.

LE PREMIER REMBOURSEMENT AURA LIEU LE 1 SEPTEMBRE 1873.
Les tirages s'opéreront par série de 100 Bons ou fractions de série.

BON DE CENT VINGT-CINQ FRANCS AU PORTEUR.
No. _____

Le Porteur a droit à un Intérêt semestriel de QUATRE francs payable le 1 Mars et le 1 Septembre de chaque année.

Un Administrateur—EMILE GUILLAUME. *Un Administrateur*—V. DELAMALLE.

CANAL MARITIME DE SUEZ.

BON No.

Coupon de 4 fr. 25 échéant le 1 septembre 1897.

BACK.

TABLEAU D'AMORTISSEMENT

Des 200,000 Bons Trentenaires émis par la Compagnie Universelle du Canal Maritime de Suez, le 9 septembre 1871, en exécution de la décision de l'Assemblée générale des Actionnaires du 24 août 1871.

Epoques de Remboursement.	Nombre de bons à amortir.	Epoques de Remboursement.	Nombre de bons à amortir.	Epoques de Remboursement.	Nombre de bons à amortir.
1873 1 septembre.	2,537	<i>Report ...</i>	38,803	<i>Report ...</i>	106,243
1874 —	2,700	1884 1 septembre.	5,021	1894 1 septembre.	9,337
1875 —	2,873	1885 —	5,343	1895 —	9,935
1876 —	3,057	1886 —	5,684	1896 —	10,571
1877 —	3,253	1887 —	6,049	1897 —	11,247
1878 —	3,460	1888 —	6,435	1898 —	11,967
1879 —	3,682	1889 —	6,847	1899 —	12,733
1880 —	3,948	1890 —	7,286	1900 —	13,548
1881 —	4,169	1891 —	7,751	1901 —	14,419
1882 —	4,435	1892 —	8,248	" "	"
1883 —	4,719	1893 —	8,776	" "	"
<i>A reporter ...</i>	38,803	<i>A reporter ...</i>	106,243	TOTAL ...	200,000

V. CONSOLIDATED ARREARS OF INTEREST.

FRONT.

COMPAGNIE UNIVERSELLE
DU
CANAL MARITIME DE SUEZ

Coupons consolidés d'intérêts arriérés d'actions

En vertu de la délibération de l'Assemblée générale du 2 Juin 1874,
il est créé 400,000 Titres de 85 Francs en représentation des Sept Coupons d'intérêts
arriérés Nos. 25, 26, 27, 28, 29, 30, 31
échus sur les 400,000 Actions du 1 Juillet 1871 au 1 Juillet 1874 inclusivement.

TITRE DE QUATRE-VINGT-CINQ-FRANCS AU PORTEUR

No. _____

Ce titre est productif d'un intérêt annuel de 4 fr. 25, payable le 15 novembre de
chaque année, sous déduction des impôts.

Il est délivré jouissance du 15 novembre 1874, et est remboursable en 40 ans, à
partir de l'année 1882, par voie de tirages au sort annuels.

Les tirages s'opéreront par série de 100 titres ou fractions de série.

L'intérêt et l'amortissement seront acquittés sur les produits disponibles après le
paiement des charges prévues aux paragraphes 1 et 2 de l'article 62 des Statuts.

Extrait de l'Article 62 des Statuts.—Les produits annuels de l'entreprise servent
d'abord à acquitter dans l'ordre ci-après :

§ I.—Les dépenses d'entretien et d'exploitation, les frais d'administration, et
généralement toutes les charges sociales ;

§ II.—L'intérêt et l'amortissement des emprunts qui peuvent avoir été con-
tractés.

Un Administrateur—L. A. NOURY.

Un Administrateur—SULLERY.

CANAL MARITIME DE SUEZ.

Coupons consolidés d'intérêts arriérés d'actions.

TITRE No.

Coupon de 4 fr. 25 échéant le 15 novembre 1921.

VI. DÉLÉGATIONS.

FRONT.

COMPAGNIE UNIVERSELLE DU CANAL MARITIME DE SUEZ

DÉLÉGATION DE COUPONS D'ACTIONS

DE LA COMPAGNIE UNIVERSELLE DU CANAL MARITIME DE SUEZ

Ces Coupons, au nombre de 8,830,100, proviennent de 176,602 Actions appartenant au Gouvernement Egyptien; ils en ont été détachés et remis à ladite Compagnie en paiement de TRENTE MILLIONS de francs, suivant Conventions en dates des 23 Avril et 14 juillet 1869.

TITRE AU PORTEUR NO.

Ce titre fait partie d'une Emission de 120,000 Délégations qui ont droit pendant 25 ans aux Produits annuels afférents aux 176,602 Actions appartenant au Gouvernement Egyptien, et portant les Nos. 223,399 à 400,000, soit aux 2/5es environ des Revenus du Canal.

Il donne droit pendant 25 ans à un 120,000^e des Revenus acquis à ces 176,602 Actions.

Les Produits réalisés seront répartis comme suit, savoir:

- 1^o Sous le titre *d'Intérêts*, jusqu'à concurrence de 25 francs par chaque Délégation;
- 2^o Sous le titre *d'Amortissement*, au moyen d'un remboursement à 500 francs par Délégation, calculé conformément aux usages;
- 3^o Sous le titre de *Répartition complémentaire ou de Dividende*, par le paiement de tout le surplus du Revenu acquis aux 176,602 Actions.

Ces Distributions de Produits auront lieu, par semestre, les 1 janvier and 1 juillet de chaque année, par les soins et dans le Bureaux de la Compagnie universelle du Canal maritime de Suez.

*Un Administrateur
de la Compagnie universelle du Canal
maritime de Suez*

GULBERS.

*Un Administrateur
de la Compagnie universelle du Canal
maritime de Suez*

CORBIER.

DELEGATION DE COUPONS
D'ACTIONS

DU CANAL MARITIME DE SUEZ.

No.

Coupon, Echéant le 1 juillet 1893.

DELEGATION DE COUPONS
D'ACTIONS

DU CANAL MARITIME DE SUEZ.

No.

Coupon, Echéant le 1 janvier 1894.

DELEGATION DE COUPONS
D'ACTIONS

DU CANAL MARITIME DE SUEZ.

No.

Coupon, Echéant le 1 juillet 1894.

BACK.

Au fur et à mesure des amortissements, il sera remis en échange des Titres remboursés, de nouveaux Titres de jouissance qui profiteront jusqu'à l'expiration des 25 années (1 juillet 1894) de la répartition complémentaire énoncée au paragraphe ci-dessus.

Les numéros des Titres désignés par le sort pour être remboursés seront publiés dans deux journaux de Paris, avec l'indication du jour du remboursement.

Ces Titres étant la représentation d'une négociation particulière ayant eu pour objet l'acquisition à forfait du Revenu des Coupons des 176,602 Actions du Gouvernement Egyptien, pendant les 25 années à courir du 1 juillet 1869 au 30 juin 1894, ne confèrent pas le droit d'assister aux Assemblées générales de la Compagnie universelle du Canal maritime de Suez.

Les chiffres des répartitions à faire entre les 120,000 Titres de délégation résulteront donc des Produits arrêtés et votés par les Assemblées générales des Actionnaires de la Compagnie universelle du Canal maritime de Suez, au profit des 400,000 Actions qui représentent le capital social et dont font partie les 176,602 Actions du Gouvernement Egyptien, sous la déduction toutefois des frais afférents tout spécialement aux 120,000 Délégations, tels que : impôts de timbre et de transmission et frais de distribution des Produits réalisés.

Le porteur du présent Titre se trouve par le seul fait de sa possession entièrement substitué à la Compagnie universelle du Canal maritime de Suez dans les effets de la cession des Coupons consentie directement à son profit, aux termes des conventions précitées des 25 avril et 14 juillet 1869.

THE END.

LONDON :
SAVILL, EDWARDS AND CO., PRINTERS, CHANDOS STREET,
COVENT GARDEN.

Fitzgerald, Percy

The great Canal at Suez: its political, engineering, and financial history
With an account of the struggles of its projector, Ferdinand de Lesseps.
In 2 vols
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London 1876

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